lass Noticer'

writer."

INTERNATIONAL
Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper | R | Paris, Wednesday, May 28, 1997 | No. 35,532

For NATO and Russia, A Landmark Charter

By John Vinocur
International Herald Tribune

PARIS — The 16 NATO nations and Russia signed a charter Tuesday emblematic of the end of the Cold War that will allow the alliance's eastward expansion while creating a permanent council for dialogue and cooperation on security issues between the former adversaries.

After nearly a half-century of nuclear confrontation, the charter brings Russia into a permanent consultative role close to, but clearly outside, NATO. "Russia and NATO," the parties said, "do not consider each other adversaries."

Called the NATO-Russia Founding Act, the document's signature under the chandeliers at the Elysee Palace was embellished by an unexpected, and apparently improvised, announcement by President Boris Yeltsin that Russia was going to remove the warheads from the nuclear missiles that it has continued to target on countries present at the ceremony.

The off-the-cuff statement — at a ceremony meant to give an epochal and equitable feel to circumstances essentially marking the final phase in the disappearance of the Soviet Union — appeared to startle the leaders, including President Bill Clinton, and left their advisers virtually speechless. But within hours, a spokesman for the Russian president offered a clarification of his remark, saying that rather than scrap warheads, Russia would no longer target the signatory countries.

This was a modification of considerable importance, confirmed later in a bilateral meeting with Mr. Clinton. Since the United States and Russia had already concluded an agreement three years ago not to target one another, Mr. Yeltsin was basically aligning the Russian position on the rest of NATO with what he had already agreed with the Americans. Unlike pledges of de-targeting, which cannot be technically verified, removing warheads would have been a very significant development, requiring an American response and opening a debate on lowering the alert status of the remaining U.S. nuclear arsenal.

It was a long moment of palpable uncertainty that contrasted with the charter's promise of a new era of no surprises, calculability, coordination, and occasionally — "where we all agree," Mr. Clinton said — joint action.

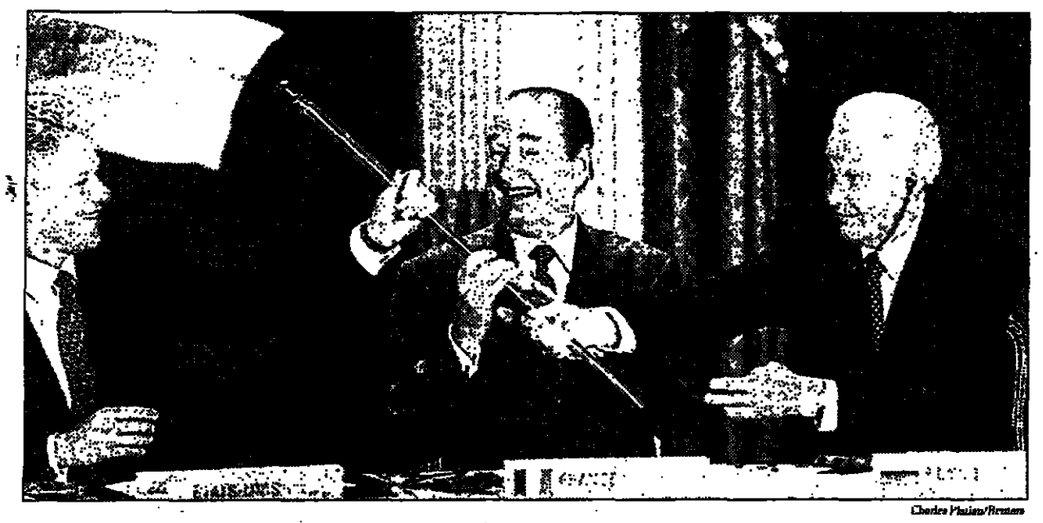
In the course of a series of speeches made by the chiefs of state and government, Mr. Yeltsin again expressed disapproval of NATO's planned expansion into countries that border on the ex-Soviet Union. But the protest was almost formalistic in tone, and although Mr. Yeltsin sighed somewhat theatrically before he signed the document, he acknowledged that NATO had taken Russian interests into account.

He made no further mention of NATO's plans to initiate membership for Poland, Hungary and the Czech Republic at the organization's summit

See NATO, Page 16

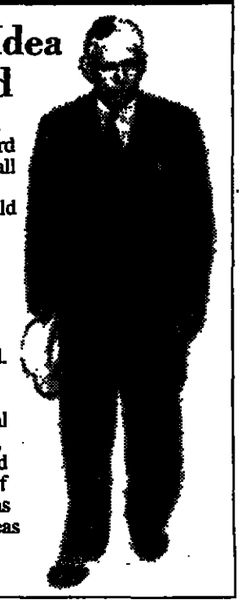
Greg Gibson/The Associated Press

Mr. Clinton's cane was the object of much maneuvering at the ceremony Tuesday. Above, Mr. Yeltsin and Mr. Solana looked for it after it fell; below, Mr. Chirac and Mr. Yeltsin passed it over after the signing.



Charles Platiau/Reuters

The Marshall Plan: An Idea That Changed the World



Fifty years ago next week, on June 5, 1947, in a commencement day address to alumni at Harvard University, Secretary of State George C. Marshall advanced the idea of a self-help project for Europe, financed by the United States, that would aid in the economic, technical and social recovery of a Continent that lay in ruins after a devastating war. "It is logical that the United States should do whatever it is able to do to assist in the return of normal economic health to the world, without which there can be no political stability and no assured peace," he said. *Thus was born the Marshall Plan, one of the most successful ideas of contemporary history.*

To mark the 50th anniversary, the International Herald Tribune today publishes a special report, beginning on Page 5, on "The Marshall Plan and Its Legacy." The report marks a different kind of anniversary—not of war and suffering, invasions or bomb dropping—but of the supremacy of ideas and intellect and the start of a process that literally changed the world.

Supreme Court Rejects Clinton Legal Immunity

Unanimous Ruling in Sexual-Harassment Case

By Brian Knowlton
International Herald Tribune

WASHINGTON — The Supreme Court ruled unanimously Tuesday that a president has no constitutional immunity from civil lawsuits while in office, clearing the way for Paula Corbin Jones, a former Arkansas clerical worker, to pursue a sexual-harassment case against President Bill Clinton.

But while the ruling carries potential for new embarrassment to the president, it is not clear that a trial will proceed while Mr. Clinton is in office.

The ruling, though unanimous, was narrowly worded. It left the door open for a trial judge in Little Rock, Arkansas, to delay proceedings if it is determined that they would unduly interfere with the president's duties.

In Paris, where Mr. Clinton signed the Russia-NATO agreement, top White House aides expressed surprise at the ruling, but said they would have no official comment.

Ms. Jones's lawyers said they would consider a settlement offer if it led to "the redemption of her reputation."

Asked about a possible settlement, one lawyer, Gilbert Davis, replied: "It is up to our opponents, if they choose, to proffer such an offer, and we would certainly take it to our client to consider."

He added that any settlement, to be deemed acceptable, would have to include an apology. He did not elaborate.

By establishing a president's legal vulnerabilities, the Supreme Court ruling could affect the conduct of the office for years to come. Justice John Paul Stevens wrote for the court that questions other than those of constitutional immunity could justify a stay of the trial or of pretrial proceedings.

"The high respect that is owed to the office of the chief executive, though not justifying a rule of categorical immunity, is a matter that should inform the conduct of the entire proceeding," he wrote.

The court did not address the issue of whether a judge could compel the president to appear in court at a specific time or place. Legal experts have said this would raise questions about the constitutional separation of the judicial and

See CLINTON, Page 16

AGENDA

Allies to Delay Return of Croat Enclave

The United States and its European allies, in the face of Croatian intransigence on allowing the return of Serbian refugees, have decided to delay the return to Croatian control of the UN-administered enclave in Eastern Slavonia.

The decision to delay return of the enclave by six months is likely to be approved by the UN Security Council.

U.S. officials also warned that they would bar Croatia's entry into Western economic and military alliances if Serbian refugees were not allowed to return. Page 17.

The Dollar		
New York	Tuesday @ 4 P.M.	previous close
DM	1.7055	1.6938
Pound	1.6311	1.6345
Yen	116.67	115.55
FF	5.7595	5.7085

The Dow		
	Tuesday close	previous close
+37.5	7383.41	7345.91

S&P 500		
change	Tuesday @ 4 P.M.	previous close
+2.68	849.71	847.03

The Riadys and the Pursuit of Influence

James Riady was a frequent visitor to the Clinton White House and a frequent Democratic Party contributor and that, along with carefully groomed anecdotes, helped to create the impression, true or not, that his family had a direct pipeline to the Oval Office, a perception that seems to have enhanced the Lippo Group's prestige in the eyes of government officials in Asia. "Riady's goal was to sell his relationship with Clinton to two governments, Indonesia and China," said a former executive of the Lippo conglomerate, of which James Riady's father is chairman. Page 2.

Luyendyk Wins Indy

INDIANAPOLIS (AFP) — Arie Luyendyk won the 81st Indianapolis 500 auto race on Tuesday, holding off Scott Goodyear of Canada over the final laps for his second Indy triumph. The race had been delayed twice.

Books ..... Page 19.
Crossword ..... Page 4.
Opinion ..... Pages 18-19.
Sports ..... Pages 30-31.
The Intermarket ..... *Page 25.*
The IHT on-line http://www.iht.com

Across Europe, Socialists Celebrate French Omens

By Alan Cowell
New York Times Service

BONN — Gains by the French left in first-round parliamentary elections have heartened Socialists in other parts of Europe, offering them a portent of growing reluctance among Europe's voters to define their future solely in terms of global economy dominated by the American market ethic.

From Bonn to Rome and Vienna, leftist parties portrayed the advances by Lionel Jospin's Socialist Party as a sign that European voters, confronting the fiscal rigors of planned monetary union in 1999, would cleave to softer options based on the elusive twinning of jobs and social welfare offered by the left.

Typically, Oskar Lafontaine, the head of Germany's opposition Social Democrats, interpreted the French results as a sign "that economic and financial policies which raise unemployment through restrictive budgets and social spending cuts are condemned to failure."

The Social Democrats, who are to challenge Chancellor Helmut Kohl in elections late next year, want to do so on precisely that platform, arguing that even Germany's limited curbs on the welfare state — far from the harshness of American downsizing or Thatcherite free-marketeering — represent a betrayal of the social state, which is as sacred to the left in France as it is in Germany.

The outcome of the French vote is critical for Germany, Europe's troubled economic powerhouse, which sees the impetus for monetary union as driven by Paris and Bonn. The union is the center-

See EUROPE, Page 16

Chirac Urges Voters To Stay the Course

President Jacques Chirac appealed to French voters Tuesday not to "squander the benefits that France is on the point of harvesting." He defended strict budgetary policies and economic modernization by saying that they were starting to show results. Page 17.

Separately, Prime Minister Alain Juppe said that the decision about which nations enter into the planned common currency would now be "political" and that the conditions for membership need not be applied rigorously. Page 21.

Reports Emerge of Congo Death Camp

Aid Workers and Others Suspect Extermination of Hutu Refugees

By Donald G. McNeil Jr.
New York Times Service

KISANGANI, Congo — Since the middle of last month, no outsider has been allowed down the jungle road that begins at a roadblock manned by soldiers at Kilometer 42 south of here. But a growing number of accounts emerging from that zone suggest that some form of systematic killing of refugees and disposal of the evidence has been taking place there.

These accounts suggest — although they do not conclusively prove — that people have died in significant numbers in the jungle and that their remains, often in the form of ashes, are being disposed of en masse. Aid workers now express a deepening conviction that the jungle astride the road, as it runs along a bend in the Congo River, has been turned into a killing camp.

The accounts come from refugees who have emerged from the jungle, from aid workers who deal with the victims, from Congolese who live nearby, from a disaffected Congolese soldier who says he worked in the zone, and from aid workers who saw a military unit move into the area.

The more than 25 people interviewed refused to be named or have their aid agencies identified for fear of retribution.

Among the things that cannot be documented are how many people may have died or are continuing to die. But with an estimated 40,000 refugees, mostly ethnic Hutu from neighboring Rwanda, still missing in the area, the refusal of the soldiers at the roadblock to admit outside observers has only darkened the suspicions about their role.

"They march *them* down the road — yes, children and mothers too," said a terrified 34-year-old man in the Biaro camp, just south of here, who had said he had heard from other refugees what had happened.

"They kill *them*, and then at Kilometer 52 they mix corpses together and make fire with them."

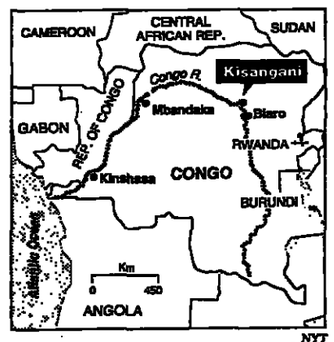
Such revelations, if proved true, could be a major embarrassment for the new government of Congo, formerly Zaire, led by Laurent Kabila, who took power May 17 after winning a seven-month rebel war. The new justice minister, Mwenze Kongolo, said he knew nothing directly about what was happening near here.

The Hutu refugees "lie a lot," he said. In denying that his government was in any way responsible for their deaths, he pointed to a separate group of refugees, many suspected of being former Rwandan Hutu militia members, that had emerged hundreds of miles away, in the western town of Mbandaka.

"They were fighters," he said. "If we'd been logical and consistent, we'd

See CONGO, Page 16

Newsstand Prices			
Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Rials
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 PTAS
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dirh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20



NYT

In Indonesia, Megawati Warns of Poor's 'Rage'

By Michael Richardson
International Herald Tribune

JAKARTA — Excluded by the government from Indonesia's legislative elections scheduled for Thursday, Megawati Sukarnoputri spends much of her time in a suburban house with a large tropical garden where caged doves coo contentedly.

Yet, as the daughter of the country's founding president, Sukarno, she continues to speak a political language that has tapped a deep vein of public discontent with the government of his long-serving successor, President Suharto.

"The rage of the poor is growing everywhere in this country," Mrs. Megawati said in an interview Tuesday. "The big issues include corruption, collusion and economic discontent. We have so much unemployment."

Her rhetoric and increasing popularity prompted the government in 1996 to back a rival faction of her party, the Indonesian Democratic Party. In June, she was replaced by Suryadi as the leader of the officially recognized party, one of only three permitted to contest Indonesia's elections.

In July, a riot erupted in Jakarta when troops helped the rival faction evict Mrs. Megawati's followers from the party's headquarters. Both Indonesian and foreign observers say the intervention has backfired and contributed to the public anger and violence that have been a feature of the election campaign.

There is little doubt that the governing Golkar party — supported by the government, armed forces and bureaucracy in a tightly controlled authoritarian system — will win another landslide majority in Indonesia's Parliament this week in the country's sixth election since Mr. Suharto, a former army general, took over from Mr. Sukarno in 1967 after a coup attempt that the mil-

See INDONESIA, Page 4

AT&T

Appearances Count / **They Aided Lippo Group Mostly in Asia**

The Riadys and the Pursuit of Influence

By Sharon LaFraniere, John Pomfret and Lena H. Sun
Washington Post Service

APRIL 19, 1993, was a tense day at the White House. After a lengthy standoff, the FBI planned to pump tear gas into the Branch Davidian compound near Waco, Texas. At stake were the lives of dozens of federal agents and the nearly 80 men, women and children holed up inside. The White House situation room was on full alert.

It was not too busy, however, for President Bill Clinton to spend some time with James Riady and John Huang of Indonesia's Lippo Group conglomerate. The two had been cleared in that morning for

First of two articles.

their fifth White House visit in a week. Mr. Riady, Mr. Huang and an associate, Mark Grobmyer, chatted with Mr. Clinton in his study just off the Oval Office shortly after 5 P.M., while in the background scenes of the failed FBI raid, which led to scores of deaths, were replayed on a television screen.

Mr. Riady later told government ministers back home in Jakarta about his chat with the preoccupied president that afternoon, saying that Mr. Clinton even showed him the situation room. Such anecdotes helped Mr. Riady create the impression, true or not, that his family had a direct pipeline to the Oval Office, and that perception seems to have enhanced Lippo's prestige in the eyes of at least some government officials in Asia.

To the Riadys, that was worth all the money and effort they spent cultivating official Washington, according to former Lippo executives, Indonesian government officials and others who know the family and its massive conglomerate.

That could answer a question that has dogged investigators ever since the controversy over Democratic fund-raising practices broke last fall: What did the Riadys stand to gain from their courtship of an American president and his political party?

Without the link to Mr. Clinton, the Riadys were prominent businessmen, but they were also ethnic Chinese in a country that deeply mistrusts the Chinese. As successful as they were, therefore, they had little chance of gaining admittance to President Suharto's inner circle, limiting Lippo's chance to win billions of dollars in contracts he hands out to friends and family members.

The Clinton connection changed that. It put the Riadys in the category of a potential back channel to the White House should the Indonesian government — or the Chinese — desire it. "Riady's goal was to sell his relationship with Clinton to two governments, Indonesia and China," said one former Lippo executive, who asked not to be identified.

Rarely has a foreign-based corporation cultivated a U.S. president so aggressively. The Riadys, who got to know Mr. Clinton in the early 1980s, did all they could to strengthen that relationship once Mr. Clinton was elected. Beginning in 1991, they and business associates contributed more than $700,000 to the Democratic Party, including a $450,000 contribution from a business partner's family that was returned last year as possibly illegal.

The Riadys also hired one of Mr. Clinton's closest friends. They were host to events for three groups of U.S. commerce and trade officials who traveled to Jakarta. In the National Portrait Gallery sits a life-size bronze bust of Mr. Clinton donated in the Riadys' honor. Typical of their efforts was an offer to fly a Little Rock contingent to the 1994 economic summit in Indonesia's capital in case Mr. Clinton "would like to see some Arkansans while he was over there," a White House aide has said.

If the Riadys hoped to use their ties to Mr. Clinton to gain direct benefits from the U.S. government, however, the evidence is well hidden. In contrast to Asia, where Lippo has extensive dealings with government officials at every level, the firm's U.S. operations are minor.

The Midas touch that the Lippo patriarch, Mochtar Riady, displayed in Asia seems to have failed him in the United States. The firm floundered an effort to develop a U.S. bank, and while it has teamed with some U.S. companies on Asian ventures, they require little U.S. government aid.

Indonesia is another story. In Jakarta, Lippo has approached the Suharto regime for almost everything from critical building permits to outright financial bailouts. In China, where Lippo is investing heavily, the firm is equally if not more dependent on official support because government ministries own the companies that are Lippo's partners.

The Associated Press

Mochtar Riady and his son James of Indonesia's Lippo Group conglomerate aggressively cultivated President Clinton and the Democratic Party. The appearance of influence aided their operations in Asia.

When Mr. Clinton was elected president, the Riadys saw a chance to gain more leverage with the governments in Beijing and Jakarta, according to associates of the family. One former executive recalled James Riady's pitch when Lippo was host to a delegation of Chinese officials in Jakarta in 1993. "James told them if they ever needed a special word passed to the White House, he or his father would be happy to do it," the executive said.

IN their contacts with Mr. Clinton, the Riadys pressed the views of the Chinese and Indonesian governments. In early 1993, Mochtar Riady sent the president a four-page letter, urging him to renew China's trading privileges and to support Mr. Suharto in his desire to attend the Group of Seven economic summit talks later that year.

Mr. Clinton recalls that James Riady also tried to persuade him to meet Mr. Suharto at the 1993 Tokyo summit talks — a meeting Mr. Clinton granted after his top foreign policy advisers recommended it. And in a 1996 Oval Office meeting, James Riady urged Mr. Clinton to stick to his policy of separating the issue of China's trading privileges from human rights concerns.

The Riadys offered others as messengers, too, including Mr. Grobmyer, with whom Lippo worked closely, and Webster Hubbell, paid $100,000 by Lippo after he left the Justice Department.

In early 1993, James Riady arranged for Mr. Grobmyer, a Little Rock lawyer and longtime Clinton friend, to spend one and a half hours with Mr. Suharto in Jakarta. An official with Indonesia's Foreign Ministry said Mr. Riady insisted that Mr. Grobmyer "had the ear of President Clinton."

"He said the meeting would give us special access to the White House," the official said. "Suharto's people were interested in this access so they met with him."

After his trip, Mr. Grobmyer wrote Mr. Clinton about Mr. Suharto's desire to address the economic summit. He noted that the Riadys had scheduled meetings for him with top Indonesian officials and attached a thank-you letter for Mr. Clinton to send James, describing Mr. Grobmyer's insights as "very helpful." Mr. Clinton didn't send it, but James Riady gave Suharto aides a copy of Mr. Grobmyer's letter to Mr. Clinton as proof of his family's influence, according to the Foreign Ministry official.

The Riadys also promoted Mr. Hubbell at Mr. Suharto's presidential palace as someone "influential with Bill Clinton," said another Indonesian official. After Mr. Hubbell resigned from the Justice Department amid allegations of fraud, James Riady arranged for him to tour Indonesia.

Mr. Riady made sure that Mr. Hubbell, like Mr. Grobmyer, visited East Timor, where Indonesian security forces have been accused of widespread human rights abuses. Mr. Riady "said letting a friend of Clinton's see Timor might help change U.S. policy," the official said.

"So naturally we thought it was a good idea," he said.

Indonesian officials who traveled to Washington saw tangible proof of Lippo's White House access. In April 1993, James Riady escorted the governor of Jakarta to the East Wing for a meeting on which the White House can provide no details.

HE also took Wardiman Djojonegoro, the Indonesian minister of education, to the Oval Office in September 1994 to hear Mr. Clinton give his radio address. About that time, the ministry granted Lippo a license to operate an international school at one of its property developments.

And Mr. Riady accompanied Hartarto Sastrosoenarto, Indonesia's coordinating minister for production and one of Mr. Suharto's most influential advisers, to the White House for a September 1995 lunch. Joining them was John Huang, who had left Lippo for the Commerce Department the previous year, and Mark Middleton, a former mid-level presidential aide who continued to use the White House Mess to entertain clients. Two months later, the Indonesian government arranged for a group of private companies to rescue Lippo during a financial crunch.

"These trips helped Lippo improve their ties to the Suharto regime," said the former Lippo executive. "As a result, Suharto helped rescue them when they needed help."

Neither the Riady family nor their representatives would comment for this article.

U.S. officials insist that neither the Indonesians nor the Chinese needed Mr. Riady as a backdoor emissary because diplomatic and other official channels were wide open. Mr. Suharto's powerful aide, Mr. Hartarto, for example, has little trouble getting on the schedule of U.S. cabinet secretaries. "I don't think the Indonesian government found any need to use the Riadys as intermediaries to the U.S. government," said Robert Barry, U.S. ambassador to Indonesia from 1992 to 1995.

Still, Mr. Suharto was seeking greater recognition in the world, and the U.S. government was signaling that problems like Indonesia's human rights abuses and poor treatment of workers stood in the way of better relations. U.S. officials acknowledge that the perception that James Riady had special access to Mr. Clinton could be of great value to Lippo.

"From the Asian perspective, personal relationships are more important than anything else," said one senior administration official.

Another former administration official who dealt extensively with Indonesia said: "I think James Riady had a particular cachet that other people didn't have."

Tomorrow: The Riady family empire.

Resistance in Tehran: It Starts With a Stroll

By Stephen Kinzer
New York Times Service

TEHRAN — On a tree-shaded sidewalk in a wealthy Tehran neighborhood last week, four dangerously carefree teenagers, two boys and two girls, chose an unlucky time for a stroll.

Their chatter was suddenly interrupted by the screech of tires, and two police officers from the vice squad jumped from a cruiser to confront them. Upon checking their identity papers, the officers discovered that the four were unrelated.

Any public contact between unmarried males and females is considered a violation of public morality, so the officers called for help, and soon two other cruisers appeared.

The two girls tearfully begged officers to leave them alone, and their sobs reached the ears of a servant in a nearby house. He emerged, spoke quietly to the head of the police squad, and slipped him the equivalent of $5. Thanks to his timely intervention, the teenagers managed to escape scandal and punishment.

Police actions like this one have been a fact of Iranian life since the 1979 Islamic revolution. If once they were tolerated, now they feed the growing frustration that helped produce an astonishing upset at the polls on Friday.

Many of the 20 million people whose votes propelled Mohammed Khatami to victory in the presidential election supported him because they want to enjoy more of life's pleasures and believe that he will allow them to do so.

Mr. Khatami did not directly denounce the harsh social code that has restricted private life here for 18 years, and even as president he will have less authority than the country's supreme religious leader, Ayatollah Sayed Ali Khamenei.

But Mr. Khatami pledged in his campaign to "respect the privacy of citizens" and guarantee their "civil rights and freedoms." Those were the promises that many Iranians had been waiting to hear.

"We live a double life in this country," said a middle-aged mother who voted for Mr. Khatami. "My children know that when their schoolteachers ask whether we drink at home, they have to say no. If they are asked whether we dance or play cards, they have to say no. But the fact is that we do drink, dance and play cards, and the kids know it. So they are growing up as liars, knowing that their parents are also liars and knowing that to survive in this country we have to lie. That's a terrible thing, and I want it to change."

Enforcement of religious codes has eased here in recent years. No longer do police routinely stop men and women who are driving together in cars and ask them to show papers proving that they are married. Raids on private homes are becoming less frequent. Nonetheless, social control is still tight. Squads of policemen and religious vigilantes patrol the streets at night listening for the sound of Western music. If they hear it, they knock at the offender's door. Depending on the seriousness of the offense and the officers' inclination, the matter is resolved with a payoff or with an arrest.

Even before the election Friday, many Iranians, especially those in Tehran and other large cities, were quietly resisting laws that restrict their private pleasures. Satellite dishes, which are banned, have sprouted on some rooftops, often covered by makeshift tents. Foreign videocassettes, which are also banned, are an almost normal sight in middle-class homes. Videos may be rented from clandestine companies that offer home delivery.

Videos often arrive in Tehran even before they are on sale in the West. Demand is so strong that some Iranians carry video cameras into movie theaters when they travel, record movies directly off the screen and smuggle them home.

Vigilance at the Tehran airport is strong but not prohibitive. One young woman recently returned from a trip abroad with 10 compact disks stuffed into the waistband of her pants, hidden under the loose outer clothing that is mandatory for Iranian women. Alcohol also is available, despite strict prohibition. Some newsdealers sell bottles of potent homemade vodka, and brand-name whisky is available at premium prices with only slightly more difficulty.

Public fraternization between the sexes is one of the last frontiers of social control. Displays of affection or even friendship between unrelated males and females are taboo. Still, there are chic avenues and favored pizzerias in Tehran where groups of young men and women eye each other and, if they dare, exchange smiles or even a few hurried words.

Such encounters and the clandestine relationships that spring from them can be dangerous. Romances between unmarried men and women are punishable by fines, prison or, in extreme cases when sexual contact is alleged, lashing.

Iranian women must wear head scarves and cover their bodies with loose and shapeless garments so that they will remain, in the words of one religious exhortation, "as a pearl in its shell." But in recent years, curls have begun to slip into view. Some women carry lipstick and makeup to apply when they are going places where they do not expect to meet any police or religious authorities.

There is a bold urban underground of young people who defiantly reject the strictures. They proclaim their love for all things Western and paint the names of rock bands on walls and buildings.

"When I was growing up in the shah's days, the way to rebel was to become a Marxist or, even better, an Islamist," a schoolteacher said. "Now the way to do it is to dance, drink, use drugs and go to secret parties. We used to have girlfriends, but we never had sexual relations with them. Now kids have sex as a form of political protest."

Khatami Blames U.S. for Strains

The Associated Press

TEHRAN — Iran's president-elect said Tuesday he expected no major changes in the country's unfriendly relations with the United States.

Mohammed Khatami, the moderate cleric who won a landslide victory, said Washington was "the source of the strained ties," and there would be no improvement in relations unless the United States changed its policy toward Iran.

"Unfortunately we don't see any sign of such a change," he said.

The U.S. State Department accuses Tehran of sponsoring terrorism.

On Tuesday, the White House press secretary, Michael McCurry, told reporters traveling with President Bill Clinton in Paris that "the things that concern us and trouble us about Iran's behavior in the world need to change" before the United States would reconsider its strictures against Iran.

Mr. Khatami is to take office in August. He said he would consider appointing women to the cabinet.

HERALD TRIBUNE WORLD YOUTH FORUM ALUMNI ASSOCIATION
50th ANNIVERSARY REUNION

NEW YORK
AUGUST 7 - 10, 1997

If you were, or you know someone who was, a participant in the **Herald Tribune/World Youth Forum** (either Dec-March or summer programs), please contact us for details of the Association and the reunion: IHT Box 293, 92521 Neuilly Cedex or

Catherine Marin (33 1) 47 72 12 15
catherinemarin@compuserve.com
Daniela Yaffe Zidon (1 914) 2452279
d.zidon@juno.com

This way to

THE INTERMARKET

Don't miss it. A lot happens there.

TRAVEL UPDATE

More Hong Kong Flights Canceled

HONG KONG (AP) — Cathay Pacific Airways, which has run into a recent series of engine problems, canceled 22 flights Tuesday.

The airline, Hong Kong's flag carrier, said it had canceled the flights after problems with Rolls-Royce Trent 700 engines on its Airbus-330-300 aircraft, which have failed five times since November. On Monday, the airline canceled 18 flights.

Indonesia's largest airline, Garuda, said Tuesday it would comply with Hong Kong's request to suspend flights to the British colony using the Airbus planes powered by the Rolls-Royce engines. It will use DC-10s and 747s.

Air and water transport between Kinshasa and Brazzaville is irregular more than a week after the takeover of Zaire by rebels. Despite the reopening of Kinshasa's airport Saturday, the three major airlines that regularly fly there — Swissair, Sabena and Air France — have yet to land in the new Democratic Republic of Congo. Trips across the Congo River by boat to Brazzaville remained suspended Tuesday. *(AFP)*

Smoking will be banned on Israeli airlines' flights of less than five hours, the Transport Ministry said Tuesday. *(AP)*

Tourist arrivals in Cyprus fell 7.5 percent in 1996 as publicity given to violence on the island scared people off, travel agents said Tuesday. *(Reuters)*

THG
www.hotelguide.com
book directly - save money worldwide.
THG - The Hotel Guide AG, Switzerland
Fax: + 41 41 379 09 29 E-mail: thg@hotelguide.ch

WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather.

Jetstream | Unseasonably Cold | Unseasonably Mild | Heavy Rain | Heavy Snow

North America New England and the northeast will have pleasant weather Thursday and Friday, while thunderstorms will rumble over the Midwest and the Great Lakes region; showers may move into New England Saturday. Pleasant in the Northwest Thursday, but showers are likely Friday and Saturday.

Europe Sunny, warm and dry over most of France Thursday through Saturday, while England will be partly sunny and pleasant. Most of eastern Europe will be cool with clouds and sun; showers will be scattered from southern Germany and Poland to the Balkans. Wet across northern Spain and Portugal.

Asia A slow-moving storm will bring soaking rains to Manchuria and Korea Thursday and Friday, then to Japan Friday and Saturday. Beijing will have mixed clouds and sun with a shower or two, while steadier rains will be in south-central China. Hot and dry in India and northwestern China.

Europe

	Today High/Low	Today	Tomorrow High/Low	Tomorrow
	C/F	C/F	C/F	C/F
Algarve	22/71	14/57 pc	24/75	16/61 pc
Amsterdam	16/61	7/44 s	18/64	11/52 s
Ankara	18/65	8/43 pc	23/73	3/37 c
Athens	25/77	16/61 s	22/71	12/53 s
Barcelona	27/80	17/62 s	25/77	15/61 pc
Belgrade	18/64	7/44 r	18/64	7/44 r
Berlin	18/61	7/44 s	18/64	9/48 pc
Brussels	17/62	7/44 s	20/68	12/53 s
Budapest	18/61	7/44 r	17/62	6/43 sh
Copenhagen	15/59	6/43 pc	17/62	10/50 c
Costa Del Sol	27/80	18/61 pc	28/82	17/62 c
Dublin	18/64	10/50 s	19/66	12/53 s
Edinburgh	17/62	8/46 pc	19/66	11/52 s
Florence	27/80	11/52 s	23/73	9/48 s
Frankfurt	14/57	3/37 pc	18/66	7/44 pc
Geneva	23/73	7/44 s	24/75	11/52 s
Helsinki	14/57	3/37 c	11/52	-1/31 sh
Istanbul	22/71	13/55 sh	19/66	7/44 pc
Kiev	17/62	5/41 pc	18/64	8/43 pc
Las Palmas	23/73	18/64 pc	22/71	18/61 pc
Lisbon	21/70	15/59 c	23/73	16/61 pc
London	18/64	9/48 s	21/70	13/55 s
Madrid	25/82	11/52 s	31/88	14/57 pc
Mallorca	27/80	18/64 s	24/75	17/62 pc
Milan	28/79	9/48 s	24/75	11/52 s
Moscow	16/61	3/37 pc	18/61	5/41 pc
Munich	14/57	3/37 pc	18/61	5/41 s
Nice	27/80	18/61 s	21/70	14/57 s
Oslo	16/61	5/41 s	18/61	12/53 sh
Paris	20/68	8/46 s	21/70	12/53 s
Prague	13/55	1/34 pc	17/62	5/41 s
Reykjavik	8/46	7/44 r	11/52	4/39 sh
Riga	15/59	7/44 sh	14/57	3/37 c
Rome	24/75	12/53 s	22/71	9/48 s
St. Petersburg	14/57	7/44 c	14/57	4/39 sh
Stockholm	12/53	3/37 pc	9/48	0/43 r
Strasbourg	17/62	7/44 s	21/70	10/50 s
Tallinn	13/55	4/39 c	10/50	1/34 sh
Tbilisi	28/82	13/55 pc	27/80	16/61 c
Venice	22/71	8/46 s	19/66	8/46 s
Vienna	18/61	5/41 pc	17/62	9/48 pc
Warsaw	18/61	8/43 c	16/61	5/41 r
Zurich	17/62	5/41 s	20/68	8/46 s

Middle East

	Today High/Low	Today	Tomorrow High/Low	Tomorrow
	C/F	C/F	C/F	C/F
Abu Dhabi	37/98	23/73 s	38/102	23/73 s
Beirut	24/75	16/61 s	25/77	16/61 s
Cairo	34/93	16/61 s	36/97	18/61 s
Damascus	30/88	11/52 s	32/89	12/53 s
Jerusalem	27/80	12/53 s	28/82	12/53 s
Luxor	43/109	19/66 s	44/111	19/66 s
Riyadh	41/106	25/77 s	40/104	26/79 s

North America

	Today High/Low	Today	Tomorrow High/Low	Tomorrow
	C/F	C/F	C/F	C/F
Anchorage	18/64	9/48 pc	17/62	8/46 c
Atlanta	23/73	15/59 t	24/75	16/61 pc
Boston	22/71	12/53 s	21/70	12/53 pc
Chicago	18/64	10/50 r	22/71	12/53 sh
Dallas	27/80	17/62 pc	28/82	17/62 pc
Denver	20/68	8/46 pc	22/71	9/48 pc
Detroit	22/71	10/50 pc	22/71	11/52 sh
Honolulu	29/84	22/71 s	31/88	23/73 pc
Houston	31/88	18/64 t	29/84	19/66 c
Los Angeles	30/86	18/64 s	32/89	17/62 pc
Miami	31/88	22/71 pc	30/86	24/75 pc
Minneapolis	18/61	9/48 sh	22/71	12/53 sh
Montreal	17/62	9/48 pc	18/64	10/50 pc
Nassau	31/88	22/71 s	29/84	22/71 pc
New York	23/73	14/57 s	24/75	14/57 s
Orlando	29/84	21/70 p	31/88	21/70 pc
Phoenix	41/106	23/73 s	40/104	24/75 s
San Fran.	22/71	14/57 s	26/79	14/57 pc
Seattle	22/71	11/52 sh	21/70	11/52 pc
Toronto	18/64	8/46 pc	21/70	9/48 pc
Vancouver	18/64	11/52 sh	21/70	11/52 pc
Washington	23/73	13/55 s	24/75	14/57 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hca, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

Asia

	Today High/Low	Today	Tomorrow High/Low	Tomorrow
	C/F	C/F	C/F	C/F
Almaty	31/88	14/57 c	33/91	16/64 s
Bali	32/89	22/71 pc	32/89	20/68 pc
Bangkok	33/91	24/75 pc	32/89	24/75 r
Beijing	23/73	12/53 s	29/79	16/61 s
Bombay	33/91	24/75 s	31/88	24/75 s
Calcutta	39/102	27/80 s	39/102	28/82 s
Chiang Mai	33/91	22/71 pc	32/89	23/73 r
Colombo	29/84	24/75 pc	29/84	24/75 sh
Hanoi	30/86	23/73 pc	29/84	24/75 c
Ho Chi Minh	32/89	24/75 r	32/89	24/75 r
Hong Kong	28/82	22/71 pc	27/80	23/73 c
Islamabad	42/107	22/71 s	41/106	23/73 s
Jakarta	31/88	23/73 pc	31/88	23/73 pc
Karachi	36/100	27/80 s	37/98	26/79 s
K. Lumpur	32/89	22/71 pc	31/88	22/71 c
K. Kinabalu	31/88	20/68 pc	31/88	21/70 pc
Manila	33/91	24/75 pc	31/88	25/77 t
New Delhi	44/111	27/80 s	43/109	26/79 s
Phnom Penh	32/89	22/71 r	31/88	23/73 r
Phuket	33/91	24/75 pc	32/89	24/75 r
Rangoon	32/89	24/75 pc	33/91	24/75 r
Seoul	21/70	14/57 sh	22/71	14/57 r
Shanghai	25/77	20/68 c	23/73	17/62 r
Singapore	32/89	21/70 pc	31/88	21/70 pc
Taipei	29/84	23/73 sh	30/86	22/71 c
Tokyo	20/68	15/59 pc	21/70	17/62 c
Vientiane	30/86	24/75 pc	29/84	24/75 c

Africa

	Today High/Low	Today	Tomorrow High/Low	Tomorrow
	C/F	C/F	C/F	C/F
Algiers	28/82	17/62 pc	32/89	17/62 s
Cape Town	11/52	4/39 pc	16/61	6/43 s
Casablanca	22/71	16/61 pc	24/75	16/64 pc
Harare	31/88	12/53 s	32/89	12/53 s
Lagos	30/86	22/71 pc	29/84	23/73 pc
Nairobi	29/79	12/53 c	27/80	12/53 pc
Tunis	33/91	18/66 s	31/88	16/61 c

Latin America

	Today High/Low	Today	Tomorrow High/Low	Tomorrow
	C/F	C/F	C/F	C/F
Buenos Aires	18/64	5/41 pc	13/55	8/46 c
Caracas	30/86	24/75 c	31/88	25/77 pc
Lima	23/73	17/62 pc	23/73	17/62 pc
Mexico City	24/75	11/52 sh	23/73	11/52 pc
Rio de Janeiro	27/80	19/66 c	22/71	16/61 pc
Santiago	21/70	8/46 pc	13/55	5/41 r

Oceania

	Today High/Low	Today	Tomorrow High/Low	Tomorrow
	C/F	C/F	C/F	C/F
Auckland	16/61	9/48 pc	14/57	8/46 pc
Sydney	20/68	12/53 pc	18/64	12/53 c

A two-month trial subscription.
Save up to 60%

Try a special, low cost 2-month trial subscription to the International Herald Tribune to enjoy delivery to your home or office every morning **AND** save up to 60% off the newsstand price.

COUNTRY/CURRENCY		2 MONTHS NEWSSTAND PRICE	2 MONTHS OFFER PRICE	DISCOUNT OFF COVER PRICE
AUSTRIA	ATS	1,456	650	55%
BELGIUM/LUXEMB.	BEF	3,380	1,350	60%
DENMARK	DKK	780	360	54%
FINLAND	FIM	624	310	50%
FRANCE	FF	520	210	60%
GERMANY	DEM	72	28	60%
GREAT BRITAIN	£	47	22	53%
HONG KONG	HK$	676	284	57%
ITALY	ITL	145,600	58,000	60%
JAPAN	¥	26,000	12,150	53%
MALAYSIA	RM	182	101	44%
NETHERLANDS	NLG	195	78	60%
NORWAY	NOK	832	390	53%
SINGAPORE	$S	746	32	43%
SPAIN	PTAS	11,700	5,000	57%
SWEDEN	SEK	832	350	58%
SWITZERLAND	CHF	166	66	60%
USA	$	78	33	58%

FOR OTHER COUNTRIES, PLEASE CONTACT YOUR NEAREST IHT OFFICE

Yes, I would like to start receiving the International Herald Tribune.
☐ *My check is enclosed (payable to the IHT)*
Charge my: ☐ Amex ☐ Diners ☐ VISA ☐ Access ☐ MasterCard ☐ Eurocard
For ex-US and Asian prices, credit cards will be charged in French Francs at current rates.
Card No: _____ Exp. Date: _____
Signature: _____
For business orders, indicate your VAT No: _____ (IHT VAT Number FR 47 32021126)
Mr/Mrs/Ms Family Name: _____
First Name: _____ Job Title: _____
Mailing Address: _____
City/Code: _____
Country: _____
Home Tel No: _____ Business Tel No: _____
E-Mail Address: _____
I got this copy of the IHT at: ☐ kiosk ☐ hotel ☐ airline ☐ other 28-5-97
☐ I do not wish to receive information from other carefully screened companies
Mail or fax to: International Herald Tribune
EUROPE, MIDDLE EAST & AFRICA
181 Ave. Charles de Gaulle, 92521 Neuilly Cedex, France
Fax: +33 1 41 43 92 10. Tel: +33 1 41 43 93 61
THE AMERICAS
850 Third Avenue, New York, N.Y. 10022-6275, USA
Fax: +1 212 755 8785. Tel: (toll free) 1-800-882-2884
ASIA
7/F Malaysia Bldg, 50 Gloucester Rd, Wanchai, Hong Kong
Fax: +852 2922 1199. Tel: +852 2922 1171
E-Mail: subs@iht.com Asia: subshk@ihthk.com
Offer valid for new subscribers only. HA7M

Imprimé par Offprint, 73 rue de l'Evangile, 75018 Paris.

THE AMERICAS

House Leader Takes On Clinton Over China

By Adam Clymer
New York Times Service

WASHINGTON — Breaking with the Clinton administration again, Representative Richard Gephardt, the House Democratic leader, denounced normal trade relations with China on Tuesday, asserting that such terms would help China's leaders and "contribute to their tyranny and reinforce their contempt for America's resolve."

Calling current policy in Beijing "free-market Stalinism," Mr. Gephardt, in a speech at the Detroit Economic Club, said efforts to advance democracy through trade were futile.

"Economic growth for the elite will not lead to basic human rights for billions," he said, bluntly contradicting President Bill Clinton's contention that trade ties are "the best way to bring China into the family of nations and to secure our interests and our ideals."

[The White House press secretary, Michael McCurry, said of Mr. Gephardt's statement, " We'll charitably disagree," Reuters reported Monday from Paris, where Mr. Clinton signed a pact between NATO and Russia.

["Supension of normal trade relations with China would be, in some sense, a declaration of economic war on China and would further isolate China from the world community," Mr. McCurry said.]

Last week Mr. Gephardt, of Missouri, condemned the budget deal Mr. Clinton struck with Republicans as lacking "fairness." That position was widely cited as a move in preparing to run for the Democratic presidential nomination in 2000 against Vice President Al Gore. But Mr. Gephardt said then, "That decision hasn't been made and won't be made for some time."

On the budget, only a third of the House Democrats joined him in voting "no." Some who were dubious voted for the measure, knowing it would be approved and that opponents faced future television advertisements against them saying they opposed a balanced budget. He may have more influence on the issue of renewing China's most-favored-nation status, because the odds are uncertain and the political risks slight.

As Money Issues Loom, Canada Leans to Right

By Anthony DePalma
New York Times Service

TORONTO — Even the speech coaching he has undergone could not hide Preston Manning's western roots or prairie individualism as he railed against big government at a campaign stop here and vowed to work for those Canadians "who think this government doesn't give a hoot about them."

Mr. Manning, leader of the rightist Reform Party, has spent a lot of time away from the western provinces where he and his party were born and has focused instead on Ontario, which has 103 of the 301 seats that will be filled in the parliamentary election Monday.

It is not only his western twang that makes his presence seem so unusual. Ontario was governed by a free-spending, left-leaning government until 1995, and Mr. Manning's message would have been rejected outright.

But then a fiscally conservative government took over in 1995. Now Mr. Manning's western-based Reform Party is carrying the same message.

All across Canada in the last few years, the mood of voters has shifted strongly to the right, at least when it comes to spending and taxes. Canadians have been forced to deal with ballooning deficits, sky-high taxes, and a reliance on big government that was seen as stifling private enterprise.

Of course, big government and a generous social safety net have long been prominent features of Canada's political landscape, so any movement at all seems to take on great significance.

But in this election campaign, Mr. Manning's message of budget cuts and deficit reduction is being repeated by almost every party leader. At almost the same moment Mr. Manning was addressing reporters at the headquarters of the Canadian Broadcasting Corp. this past week, Jean Charest, 38, leader of the Progressive Conservatives, was in a radio studio upstairs explaining how he would trim spending, cut taxes and repeal a recently passed gun registration law because he found it too restrictive.

"Added together," wrote the columnist Rosemary Spiers in The Toronto Star, "support for Reform in the west and for Charest in the east challenge the traditional liberal view of Canada as a kinder, gentler society."

Even the New Democratic Party, which governed Ontario until 1995, has been accused by some of its traditional liberal supporters of trying to stake out some ground on the right.

Only the governing Liberal Party of Prime Minister Jean Chretien claims to be taking a balanced approach to reducing the deficit and restoring social spending. Its most recent budget increased child welfare payments and some arts programs.

But during their three-and-a-half years in power, the Liberals' message was quite different as they attacked the country's deficit with a combination of high taxes and deep spending cuts, including some that have hurt health care, education, welfare, and Canada's cherished social programs.

"This is a fairly significant turn to the right," said Neil Nevitte, a professor of political science at the University of Toronto. "But as I look at the Canadian political scene, I see the same things that are happening in pretty much every advanced political state."

The western province of Alberta, where Mr. Manning comes from, also has cut spending deeply, and other provinces have done the same to a lesser degree.

Polls show Mr. Manning and the Reform Party running strongly out west, and second, behind the Liberals, in Ontario. They have only a handful of candidates in French-speaking Quebec, and in the Atlantic provinces.

Most polls published so far in the five-week campaign indicate that Mr. Chretien's Liberals will retain enough seats in Parliament to form a new government, with Mr. Chretien as prime minister.

Peter Jones/Reuters
Prime Minister Jean Chretien, leader of the Liberal Party, making a campaign stop at the airport in Vancouver.

Leftist Pulls Ahead in Mexico City Mayoral Race

By Sam Dillon
New York Times Service

MEXICO CITY — The leftist candidate in Mexico City's first mayoral election, Cuanhtemoc Cardenas, has emerged from a crucial televised debate against the governing party candidate with a large and widening lead in opinion polls.

Mr. Cardenas's lead has climbed so sharply in recent weeks that even Juan Millan, the No. 2 official in the governing Institutional Revolutionary Party, or PRI, acknowledged publicly on Monday that it would be very difficult for any other candidate to catch up before the July 6 election.

The son of the Mexican leader who nationalized the country's oil fields in 1938, Mr. Cardenas, 62, abandoned the PRI in 1987 and ran unsuccessfully for president in 1988 and 1994.

His current popularity appears to stem at least in part from the widely felt animosity here to former President Carlos Salinas de Gortari, who many Mexicans believe stole the 1988 election from Mr. Cardenas.

In a poll published Sunday by the Mexico City newspaper Reforma, Mr. Cardenas was the mayoral candidate preferred by 39 percent of those surveyed. Alfredo del Mazo, former governor of the state of Mexico who is the PRI candidate, and Carlos Castillo Peraza, the philosopher who is the candidate of the conservative National Action Party, were preferred by 19 percent each.

Virtually all recent opinion polls have shown Mr. Cardenas with a healthy lead.

The mayor governs the 9 million inhabitants of Mexico City proper, known as the Federal District, but not the 11 million additional people who live in the metropolitan suburbs. Throughout this century, the post has been filled by the appointive whim of successive Mexican presidents, all of whom since 1929 have come from the same party.

If Mr. Cardenas wins, he and President Ernesto Zedillo will need to improvise rules of political cohabitation in the Mexican capital. Mr. Cardenas also would be in a strong position to run for president in 2000.

At least eight candidates have been campaigning since March, but only Mr. Cardenas, Mr. Castillo, and Mr. Del Mazo have seemed to have any chance at victory.

As recently as March, the three-way race seemed fairly tight, but in the weeks since then, Mr. Cardenas's lead has surged in some polls by more than 20 points.

Chasing an Elusive Balance in Tobacco Talks

Delicate Negotiations Seek Justice for Past Wrongs and Action for Future Progress

By Barry Meier
New York Times Service

NEW YORK — Every day has brought a new bulletin from the tobacco talks. Cigarette makers pledge to fight teenage smoking. Negotiators reach a preliminary plan to make it harder for smokers, current and future, to sue. And industry representatives indicate that they might give federal authorities control over that most alluring drug, nicotine.

For two months, negotiators representing cigarette producers, state attorneys general, plaintiffs' lawyers and anti-smoking groups have been engaged in a bargaining process that could set the nation's legal and regulatory policies on tobacco for decades to come.

But as a crucial round of the talks begins this week in New York City, a central question still hangs over the negotiations, one whose resolution will probably determine their success or failure: Where should the lines be drawn between punishing the tobacco industry for its past sins, compensating the injured and giving cigarette makers incentives to act with more restraint in the future?

"It is inevitable that there has to be a careful balance between social justice for past wrongs and taking action for progress in the future," said Matthew Myers, a lawyer with the Coalition for Tobacco-Free Kids and a participant in the talks.

In weighing that balance, the negotiators have taken positions that reflect their beliefs, their strengths and weaknesses at the bargaining table and the pressure of im

NEWS ANALYSIS

pending trials in lawsuits against cigarette makers.

The tobacco industry's stance is, perhaps, the clearest. It appears ready to acknowledge what its critics have long charged and most doctors accept as fact: that nicotine can be addictive and that cigarettes can cause death and disease. Tobacco companies have offered to pay some $1.5 billion in fines annually if youth smoking has not been reduced by 60 percent within a decade. Tens of billions of dollars would go to states suing to recover Medicaid funds spent on treating smoking-related diseases. The industry, rather than continuing to fight the government for years, may also yield control over nicotine to federal regulators.

But in exchange for a settlement package likely to be worth more than $300 billion, cigarette makers have proposed limits on lawsuits, now and in the future, that would provide the companies with financial predictability. Negotiators are near agreement on proposals that would, among other things, prevent smokers from filing class-action lawsuits and collecting punitive damages, and would limit injury claims related to secondhand smoke.

It is here that the going gets sticky for those on the other side of the bargaining table. Some negotiators believe that the public-health benefits of a settlement would outweigh any liability restrictions because claims by smokers have historically failed in court. Some decry efforts to give up the right to sue, while others say industry's financial offers are paltry given the profits reaped by cigarette makers.

Recently, the debate over where to strike a balance has spilled out from behind closed doors. Over the weekend, Michael Moore, the Mississippi attorney general and the architect of the tobacco talks, went on the offensive with other attorneys general, stressing a settlement's advantages and playing down its legal consequences.

"I am not willing to bet my 10-year-old son's future on the 50-year failure of the tort system as it relates to tobacco," Mr. Moore said. He added that for him, the key parts of the talks involved "reductions on cigarette consumption, restrictions on advertising and regulation of the product."

Benefits like the elimination of advertising focused on teenagers and the ban on figures like Joe Camel that appeal to the young are irrefutable, said Robert Habush, a lawyer from Milwaukee who represents the state of Wisconsin in its Medicaid lawsuit. But while he said he could agree to capping industry's annual legal payouts, he said the lawsuit restrictions being considered were too high a price to pay.

"Industry can stop advertising to teenagers any time it likes," Mr. Habush said. "If they are giving up the right to do something that they shouldn't be doing in the first place, that doesn't sound like a big concession."

Negotiators are also groping for answers because they are trying to construct social policy with little evidence of what the consequences might be. Under one proposal, for example, those who begin smoking in the future would only be able to sue under the most limited of circumstances, such as the discovery that cigarettes caused a disease not currently linked to their use.

To many, such restrictions seem reasonable: If the public is constantly bombarded with explicit warnings about smoking's health dangers, then those who smoke willingly accept the risks.

POLITICAL NOTES

A Woman Is Heard In Court's Top Case

WASHINGTON — It was the biggest case before the Supreme Court this term, one involving whether the terminally ill have a right to physician-assisted suicide. First up before the justices were two lawyers arguing that states should be able to outlaw the practice. The justices seemed surprisingly receptive.

Into this atmosphere came Kathryn Tucker, arguing for the other side. As she stood at the lectern, one of the few female lawyers in the country who has ever argued before the high court, the questions came fast and the skepticism was obvious. She did not flinch.

Ms. Tucker's sex puts her in small company. Although women occupy half the classroom seats in the nation's law schools and represent one in four practicing attorneys, only 14 percent of the 203 lawyers who argued before the Supreme Court this term were female.

Among the most established means of starting down the path to Supreme Court advocacy is a Supreme Court clerkship, which young lawyers vie for but few women attain.

Women also have been underrepresented in the U.S. solicitor general's office, the elite legal department that handles federal cases before the court. And they still lag men in winning big law firm partnerships and in obtaining prestigious academic positions. *(WP)*

Medicare Battle On

WASHINGTON — Having agreed on the general outlines of a plan to balance the budget, Congress will soon begin a major effort to redesign Medicare, and the process has already set off a fierce legislative struggle that pits elderly people, hospitals, doctors and other health care providers against one another.

Medicare, jointly funded by the federal government and the states, provides health insurance for elderly and disabled Americans. Congress has agreed to cut projected Medicare spending by $115 billion, or 8.5 percent, in the next five years but has not made any final decisions about how.

Each group wants to protect its share of the $1.2 trillion to be spent in that period, and, in most cases, the preferred strategy is to appeal to "equity" and "fairness" and argue that others should bear a larger share of the cuts.

Every additional dollar of premiums paid by the elderly is one fewer dollar that must be cut from payments to hospitals. Each dollar taken from surgeons frees up a dollar for family doctors and internists.

Republicans and a few Democrats in Congress say their objective is not just to save money but also to give beneficiaries a wider choice of competing health plans, including health maintenance organizations and other forms of managed care. *(NYT)*

Quote/Unquote

The Reverend Steve Hill, an evangelist in Pensacola, Florida, who is leading perhaps the largest and longest-running Pentecostal revival in America in almost a century: "If you walk into McDonald's, it won't make you a hamburger. Going to church won't make you a Christian." *(NYT)*

Away From Politics

• **Mother Teresa** has slipped quietly into New York to initiate a new group of nuns into her Missionaries of Charity. The Nobel Peace Prize winner flew in from Rome on Monday and was greeted by two dozen nuns at Kennedy Airport. *(AP)*

• **The eighth annual Weedstock** Festival wrapped up over the weekend in Ferryville, Wisconsin, with the police saying the pro-marijuana event was less trouble than expected. There were 60 arrests. Organizers said about 3,500 people attended. *(AP)*

• **A family trip ended in tragedy** when three children sleeping in a camper shell behind a pickup truck died of suspected carbon-monoxide poisoning. The children, aged six and younger, were sleeping in a camper shell attached to a Nissan pickup truck as the family was returning to North Hollywood from San Francisco. When the family arrived at their home, the parents found the children were not breathing. *(Reuters)*

Manfred von Ardenne Dies; Worked on Soviet A-Bomb

The Associated Press

DRESDEN — Manfred von Ardenne, an inventor and physicist drafted by the Soviet Union to help develop an atomic bomb after World War II, has died at the age of 90, his personal secretary said Tuesday.

Mr. von Ardenne, who died Monday afternoon at his home in Dresden, came to the Soviets' attention for his work during World War II developing a cyclotron, a particle accelerator used for atomic research, in a Berlin laboratory.

Working in a Soviet lab on the Black Sea, he developed a process for splitting isotopes to create uranium-235, a material crucial to the Soviets' success in creating a nuclear bomb.

Mr. von Ardenne later said the Soviets' bomb had helped bring parity to the U.S.-Soviet arms race. "It was our contribution to atomic peace," he said.

After working for the Soviets, he returned to East Germany in 1955, again establishing his own research institute. It was the largest such institute in East Germany when the Berlin Wall fell in 1989, with 500 employees.

Though he never joined the Communist Party, his research earned him great personal freedom, including permission to travel to the West, and the lifestyle of the privileged East German elite, including a private mansion overlooking the Elbe River where he died.

Fadhel Jamali, 94; Ex-Leader Of Iraq Signed UN Charter

CAIRO (AP) — Fadhel Jamali, 94, a former Iraqi prime minister who signed the UN charter in 1945, has died in exile in Tunisia.

Iraqi diplomats said Monday that Mr. Jamali died Saturday in a military hospital in Tunis where he was being treated for a heart condition.

He helped develop Iraq's first modern school system and in 1945 was made foreign minister, in which capacity he signed the UN charter.

John Canfield Ewers, 87, ethnologist emeritus of the Smithsonian Institution, historian of the West and chronicler of the Plains Indians, died May 7 in Arlington, Virginia.

Henri Barakat, 83, a veteran film director who was known as "the master of poetic realism" in Egyptian cinema, died Monday night in a Cairo hospital where he was being treated for respiratory problems.

SMALL LUXURY HOTELS OF THE WORLD
PARIS
HOTEL SQUARE
Charming hotel on the right bank opposite the Eiffel Tower. Try the original cuisine in Restaurant Zebra Square. Très chic!
To make a reservation — in France: call toll free 0800 90 75 16 in Germany: call toll free 0130 81 89 12 in any other country - call Belgium +32 (0)2 753 5811

HAVE YOU BEEN REFUSED
GOLD CARDS
Gold, Amex, Visa, MC arranged by ex banker & lawyer in 7-10 days. Fee $1,000. Satisfaction Guaranteed. (U.S. & Asian Clients Welcome)
SWISS MERCANTILE
Telephone 0161 980 3400
Facsimile 0222 461 6255

ASIA/PACIFIC

Facing a New Scourge, China Rehabilitates an Old Opium Warrior

By Rone Tempest
Los Angeles Times

BEIJING — It was a time when British and American drug dealers invaded the land, amassing huge stocks of opium in the prosperous southern port of Canton.

A brilliant, progressive Confucian administrator, on orders of the Qing dynasty emperor, launched one of the world's first anti-drug campaigns. In perhaps the biggest drug bust ever, the Canton commissioner, Lin Zexu, destroyed 3 million pounds of raw opium confiscated from foreign drug barons.

This sparked the infamous Opium War, in which China was defeated and forced to hand Hong Kong over to Britain in 1841.

Mr. Lin, who is also known as Lin Tse-hsu, was disgraced because of his role in China's humiliation and banished to a remote western part of this nation.

It has taken more than 150 years for his historic rehabilitation. Call it "The Revenge of Commissioner Lin." It is why, when Hong Kong reverts from Britain to China on July 1, one of the men with the most reason to celebrate will be a retired diplomat, Ling Qing, who is 74.

Mr. Ling, who as China's chief representative to the United Nations in 1985 proudly presented the repatriation agreement — the Sino-British Joint Declaration on the Question of Hong Kong — to the world is the great-great-grandson of Commissioner Lin.

Mr. Ling said in an interview that he viewed the return of Hong Kong both as a vindication of his famous ancestor and as a chance to launch another crusade against drugs in China, this time targeting the mounting use of heroin by Chinese youth.

The Chinese authorities say that drug use in China, particularly in areas bordering the poppy-growing territories of Southeast and Central Asia, has expanded rapidly in recent years.

In honor of his ancestor, whom he describes as "a world pioneer in the anti-drug movement," Mr. Ling created the Lin Zexu Foundation in 1995. The first goal of the foundation, which has received more than $1.2 million in donations from overseas Chinese, is to restore the tiny house where Mr. Lin was born in Fuzhou, in Fujian Province.

You might call it 'The Revenge of Commissioner Lin.'

But the main purpose is to conduct a national anti-drug campaign.

"Drug trafficking and smuggling has become a serious problem in China," Mr. Ling said. "China used to be mainly a transit area for drugs. Now there are many young people who are also victims of drugs. I think the situation is perhaps as serious as those days when Lin Zexu was commissioner. We wanted to use the foundation to point out the seriousness of the problem."

The police and local authorities also have picked up on the theme. In March, authorities in Guangzhou — the modern name of Canton — marked the 156th anniversary of Mr. Lin's raid there by burning 368 pounds of heroin, opium, morphine and other drugs confiscated since the beginning of the year.

Although he was once vilified by the Communist leaders of China as an "agent of feudalism," Mr. Lin's reputation has undergone a revival of sorts recently, particularly as the return of Hong Kong nears. Now he is portrayed as a progressive administrator, one of the first to advocate looking outside China for ideas.

He also is seen as a pioneer in fighting rampant drug addiction in the late Qing dynasty.

He is one of the main heroes in the epic film on the Opium War that will be shown across China beginning July 1. Mr. Lin is also one of the good guys in a new video game titled "Opium War" — one of a number of strongly patriotic games approved for use in the country's proliferating video parlors.

But Mr. Ling — who changed his name from Lin to protect his family during his days as a Communist guerrilla in the war against Japan — also remembers when his famous ancestor was a liability.

Although he once served as translator for Mao in the guerrilla base of Yan'an in remote Shanxi Province and as a liaison officer to U.S. forces fighting the Japanese in World War II, Mr. Ling and his family were persecuted during the 1966-76 Cultural Revolution because of their "bad class background" dating to Mr. Lin.

"Now, everyone claims he was a national hero," Mr. Ling recalled with a tinge of bitterness.

"But during the Cultural Revolution, Mr. Lin was discredited because they considered him a feudal official loyal to the emperor."

Mr. Ling himself was harassed by Red Guards. An older brother was jailed as a class enemy and died in prison.

The imminent return of Hong Kong has changed all that. Commissioner Lin has been elevated to national hero. His glory is reflected on his descendants. "Now I've become a star," said a smiling Mr. Ling, who still speaks English in the American idiom he learned as liaison to U.S. officers — members of the so-called Dixie Mission — in Yan'an.

Burmese Police Blockade Nobel Laureate's House

Action Bars Celebration of 1990 Victory

The Associated Press

RANGOON — Heavily armed riot police blocked roads Tuesday leading to the homes of the opposition leader Daw Aung San Suu Kyi and her deputies to prevent supporters from commemorating their 1990 election victory.

The police also used barbed-wire barricades to seal the office of the National League for Democracy, the party that Daw Aung San Suu Kyi leads. The opposition party won 82 percent of the seats in a Parliament that the military regime refused to convene.

At least 316 members of Daw Aung San Suu Kyi's party who had planned to attend the commemoration Tuesday have been arrested by the military government, the party's vice chairman, U Tin Oo, said Monday. Troops surrounded his home Tuesday morning.

More than 200 other party members from across Burma came to Rangoon in hopes of taking part in the congress at Daw Aung San Suu Kyi's lakeside compound, said a party member who asked remain unidentified.

All were turned back Tuesday morning by the police and plainclothes intelligence officers as they tried to approach their leaders' homes. No new arrests were reported.

Ten members of the party's executive committee had already arrived at Daw Aung San Suu Kyi's compound before it was sealed off.

Daw Aung San Suu Kyi won the 1991 Nobel Peace Prize for her efforts to bring democracy to military-ruled Burma. In 1995, after six years of house arrest for political activities, she was released.

The military keeps guards around Daw Aung San Suu Kyi's home to block journalists and to prevent her from giving weekend speeches to the public, but has allowed her to have several hundred supporters as guests on public holidays.

This is the second straight year that the government has arrested hundreds of Daw Aung San Suu Kyi's followers to prevent them from commemorating the 1990 election.

The government denied that it has arrested anyone. It made a similar denial after detaining 262 members of Daw Aung San Suu Kyi's party in 1996.

About two dozen party members that the government insisted it had never arrested are serving long prison terms.

The United States, Japan, Britain, Germany and several other Western governments have condemned the arrests.

■ Malaysian Group Assails Junta

The Malaysian Muslim Youth Movement urged the government Tuesday to defer Burma's admission into the Association of South East Asian Nations for "harassing Muslim communities," Reuters reported from Kuala Lumpur.

The group's secretary-general, Ahmad Azam Abdul Rahman, said that 30 mosques have been destroyed in Burma since March, most of them in the central city of Mandalay.

Unrest between Buddhist monks and Muslims broke out in mid-March in Mandalay, Burma's second-largest city. Witnesses said that several mosques were ransacked and that Buddhist monks protested in the street.

Beheading of Boy And Killer's Taunt Alarm Japanese

By Mary Jordan
Washington Post Service

TOKYO — The severed head of an 11-year-old boy was found Tuesday morning outside a school in Kobe with a note placed in the mouth saying, "Stop me if you can."

In a country with relatively little violent crime, one where children routinely ride subways alone, the killing left the nation uneasy about the killer's possible next move. The police say the same person may also be responsible for the bludgeoning death of a 10-year-old girl in the same neighborhood two months ago.

Jun Hase, 11, had been missing since Saturday afternoon when he left home to visit his grandfather, who lives in a neighborhood half a mile (800 meters) away in Kobe. A janitor found his head Tuesday morning at the gate of a junior high school; the rest of his body was found later in bushes on a wooded hill nearby.

Police officials said that "Devil Rose" also had been written on the note in the boy's mouth but did not say what, if anything, they believed that meant. The police seemed stunned at the killer's note daring them to catch him or her.

More than 400 police officers combed the neighborhood, questioning virtually everybody in town. Thousands of children were warned to stay inside at night and not to walk alone during the day; parents began organizing themselves to accompany children to school.

There were 1,200 cases of murder and attempted murder in Japan last year, compared with 23,000 murders in the United States. Japan has about half the U.S. population of 260 million.

Wong Yuan Mo, Reuters

Police scuffling with protesters Tuesday near Japan's mission in Taipei, the day after Japanese sea patrols blocked Chinese nationalists from disputed islands in the East China Sea.

Manila Rekindles Feud on Isles

Beijing Protests Arrest of Fishermen in South China Sea

The Associated Press

MANILA — Officers of a Philippine Navy patrol ship have arrested 21 Chinese fishermen near a disputed South China Sea shoal, prompting another protest by Beijing against Manila, officials said Tuesday.

The fishermen were detained and their boat impounded after they were seized May 20 near Scarborough Shoal, about 215 kilometers (130 miles) off Zambales Province, a navy spokesman said.

Lieutenant Commander Salvador Cuba said the government was preparing to charge the fishermen with illegal entry and poaching.

The Chinese Embassy's consul, General Hi Bingyi, went to the Department of Foreign Affairs on Tuesday to protest the arrests, saying that the fishermen had the right to enter and fish in the area because it belonged to China, a department official said.

The Chinese official demanded the immediate release of the fishermen, but Philippine officials said the men would be detained indefinitely for illegal entry, according to a Philippine official who did not want to be identified.

The arrests and the Chinese protest follow several recent incidents involving territorial disputes in several South China Sea areas that have clouded relations between the two countries.

The disputes over the shoal and over several areas of the Spratly Islands, also in the South China Sea, were among the top issues in bilateral talks Monday in Beijing. Philippine officials say the shoal belongs to the Philippines because it lies within its 200-mile exclusive economic zone, but Chinese officials say China has exercised sovereignty over the area since ancient times.

On April 30, a Philippine Navy patrol ship drove away a Chinese boat carrying amateur radio operators from China, Japan and the United States that approached the shoal without permission.

Philippine fishermen later went to the shoal, removed a Chinese flag and markers and planted a Philippine flag. China's ambassador to the Philippines, Guan Dengming, lodged a protest in Manila over the incident.

Chinese officials again lodged a series of protests when two Philippine congressmen, accompanied by several journalists, went to Scarborough on May 17 and posed on the island beside the Philippine flag.

■ Japan Is Silent on Coast Guard's Action

Japan took a low-key approach in its dispute over islands in the East China Sea on Tuesday, the day after the Japanese Coast Guard thwarted an attempted landing by a flotilla of Chinese nationalists, Reuters reported from Tokyo.

Prime Minister Ryutaro Hashimoto declined to comment on Tokyo's deployment of 60 patrol ships to keep a 20-boat flotilla of Chinese nationalists away from the islands, which are called the Senkakus in Japanese. The islands are also claimed by Taiwan and China, which call them the Diaoyus.

BRIEFLY

Fighting Among Afghan Allies

MAZAR-I-SHARIF, Afghanistan — The thud of rockets reverberated throughout this desert city Tuesday as Taleban religious forces tried to put down an apparent uprising among the new allies who helped them capture northern Afghanistan last week.

The fighting began in the neighborhood of Saeedabad, where three Taleban soldiers were killed, and quickly spread throughout the city. By dusk, a major battle was raging, with rockets hitting buildings and people scrambling for cover from small arms fire. There was no immediate information on casualties.

Brawls broke out as Taleban troops tried to disarm soldiers who defected from, and helped overthrow, the northern warlord Abdul Rashid Dustam. The cause of tension between the Taleban troops and the northern soldiers was not known. *(AP)*

Congress Party Contest Is Set

NEW DELHI — Rajesh Pilot entered the race for the Congress (I) Party presidency on Tuesday, setting up the first open leadership battle in 20 years for control of India's oldest political machine.

Joined by vocal supporters, Mr. Pilot launched a campaign targeted at the current party president, the veteran Sitaam Kesri, and called for young blood and a drive to clean up a party tainted by corruption scandals. The party election is scheduled for June 9. *(Reuters)*

Kim to Discuss Election Funds

SEOUL — President Kim Young Sam of South Korea bowed to public pressure Tuesday and agreed to make a national address Friday on the explosive issue of his 1992 election spending.

Only last week, Mr. Kim had appeared to rule out any public statement, but his refusal to comment sparked public outrage and veiled calls for his resignation.

Opposition parties allege that his campaign was partly bankrolled by the scandal-ridden Hanbo Group and exceeded spending limits. On Monday, they demanded that Parliament hold an independent inquiry. *(Reuters)*

Strike Hits Kashmir Capital

SRINAGAR, India — Shops and businesses were closed on Tuesday in Kashmir's biggest city, Srinagar, in a strike to protest alleged human rights violations by Indian security forces.

"Kashmir will observe a complete shutdown on May 27 to protest against custodial killings, rape of women, destruction of properties and harassment of innocent civilians by Indian security forces," a statement from a union of transporters and traders said.

Srinagar is the capital of Jammu and Kashmir, mainly Hindu India's only Muslim majority province, where troops have been fighting a seven-year-old separatist rebellion. Indian authorities deny allegations of human rights violations in Kashmir. *(Reuters)*

For the Record

Tamil rebels blew up an army vehicle Tuesday in northwestern Sri Lanka, killing five soldiers, the military said in Colombo. Two soldiers were wounded in the rocket attack on a military tractor on Mannar Island, 230 kilometers (145 miles) north of Colombo.. *(AP)*

Fourteen more persons, including three rescuers crushed by a landslide, were confirmed dead Tuesday as the death toll rose to 35 from powerful winds and rains that battered the Philippines. *(AP)*

INDONESIA: *Megawati Warns of a Growing 'Rage of the Poor'*

Continued from Page 1

itary blamed on Communists.

But how will Mrs. Megawati's disgruntled supporters and those of the Muslim-oriented United Development Party react to such a result, especially if they feel it has come as a result of official manipulation?

Mrs. Megawati, a member of Parliament representing the Indonesian Democratic Party since 1988, is clearly worried about a violent backlash.

She said there had been government manipulation of the results in the past and added: "I would not be surprised if it were to happen again. But what makes it critical this time is that we have had so much violence recently, which has never happened before."

More riots could lead to a crackdown on dissent and opposition groups in Indonesia, which could ensnare Mrs. Megawati and her followers.

In the interview, Mrs. Megawati seemed acutely conscious of that possibility and eager to prevent it from happening.

"I have given instructions for there not to be any violence," she said. "But we have seen violence occur, so we must be very careful."

At times she sounded almost like Mr. Suharto, who is wary of Western-style political liberalism on the grounds that it could open the door to instability, threatening unity and economic growth in the world's fourth most populous nation.

"Indonesia is based on the idea of a family and consultation to reach consensus," Mrs. Megawati said. "In the West you are allowed to have opposition political parties. But for us here — in a country made up of over 20,000 islands and many different ethnic, linguistic and religious groups — integration is central. We need unity."

Although Mrs. Megawati did not say so, her aides said that reducing the power of the presidency while increasing the authority of the legislature and the independence of the judiciary was a central feature of her reform program.

The program was set out in a 20-page agenda for "restoring democracy, justice and order" in Indonesia that she signed on April 3 and sent to the U.S. Congress.

Some Indonesian officials speak scathingly of Mrs. Megawati.

"She is a housewife who happens to have inherited the political aura of her father," an official said, referring to Mr. Sukarno's charismatic, sloganeering brand of politics.

"But people, especially the young, forget that Sukarno's legacy was a country at war with its neighbors, Malaysia and Singapore, and an economy in ruins," the official said. "The Suharto government restored peace, stability and economic development to Indonesia."

Although she holds court in a room where paintings of her father hang prominently on the walls, Mrs. Megawati seeks to distance herself from his legacy.

"A lot of people connect me to Bung Karno," she said, referring to Mr. Sukarno's Indonesian nickname, Brother Karno. "But I must emphasize that the time now is very different from his time. When he was fighting, the people were strongly opposing colonialism. They were fighting for independence. What I am trying to do now is add meaning to the independence we have achieved."

Bombing Attempt at a Jakarta Mall Is Said to Be Foiled as Troops Arrest 3

The Associated Press

JAKARTA — The military captured three men as they allegedly tried to plant a bomb at a shopping mall in Jakarta, a private television station reported Tuesday.

A senior army officer, speaking on condition of anonymity, confirmed the incident but refused to give details.

Although there was no word about possible motive, Jakarta and other areas have been rocked by rioting and protests during the campaign for parliamentary elections on Thursday.

The SCTV channel said that the men had been carrying explosives into the mall. It added that the three men arrested were part of a group of eight who were confronted by troops Monday night at the mall in Kelapa Gading, a predominantly ethnic-Chinese district in Jakarta.

The shops and homes of ethnic Chinese, who are a tiny minority in Indonesia but control a large portion of the country's wealth, often are targeted during protests over poverty and economic imbalances.

On Friday, 133 people died in a fire at a shopping mall in Banjarmasin, on the island of Borneo, 900 kilometers (560 miles) northeast of Jakarta.

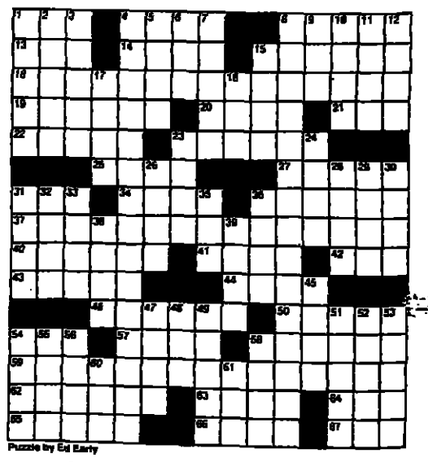
The fire was set during a riot by supporters of rival political parties.

AGENCE CHAMPS ELYSEES
Furnished apartments, 3 months or more or unfurnished, residential areas.
Tel Paris: +33 (0)1 42 25 32 25
Fax Paris: +33 (0)1 45 63 37 09

CROSSWORD

ACROSS
1 — World Service (radio provider)
4 — Pet (novelty item)
8 "My Life on Trial" author
13 Mine product
14 Dog, paw: horse: —
15 Lacking, with "of"
16 High-risk game
19 Plan
20 "— to differ"
21 Coral —
22 Gaze
23 Kind of acid
25 Dumb — ox
27 Republican V.I.P. Dick
31 Hemming and hawing
34 Charles Lamb, to readers
36 Exhibits scorn
37 Rot caused by bark beetles
40 Renaissance type
41 Course
42 — Alte (Adenauer)
43 Pulsate
44 Zorro's marks
46 Leg bones
50 Message on a Wonderland cake
54 Pac.'s counterpart
57 Beach, basically
58 Farmer's land
59 Montreal denizens
62 Distance on a radar screen
63 Peter Lorre role Mr. —
64 Deception
65 Australian export
66 Effect of auto exhaust
67 Actor Mineo

DOWN
1 Tennis's Becker
2 Main thrust
3 Jai alai basket
4 Showy-flowered shrub
5 1956-57 Wimbledon champion Lew
6 Charged particle
7 Pertaining to the second-largest continent
8 Good herder
9 First lady
10 Plenty
11 Miller beer
12 Brainstorm
15 Piece for two
17 Word repeated after "Que"
18 Award bestowed by Queen Eliz.
23 Deep blue
24 Manitoba Indian
26 One of the Waughs
28 "Canterbury Tales" drink
29 Gaelic
30 North Sea feeder
31 Handle text
32 Dr. Westheimer
33 Hollywood Boulevard sight
35 Electric guitar hookup
36 Location
38 Congeal
39 Stupor
45 Hindu garment
47 Scornful cries
48 Co. name ending
49 Monroe's successor
51 Dabbling ducks
52 Craze
53 Collectible Ford
54 Opposite of a buzz cut
55 Pitfall
56 Moon of Jupiter
58 60's-70's Japanese P.M.
60 Zilch
61 Robespierre, e.g.



Puzzle by Ed Early

© New York Times/Edited by Will Shortz

Solution to Puzzle of May 27

C	U	B	E		S	L	A	S	H		P	I	P	E
A	P	E	X		M	A	I	N	E		O	V	I	D
P	O	R	T	L	A	N	D	O	R		C	A	N	I
E	N	G		U	R	G	E		O	R	A	N	G	E
		A	R	T	E		I	C	E	T				
S	M	I	L	E	Y		P	R	O	C	E	S	S	
W	I	L	L	S		G	O	O	P		L	E	M	A
A	L	O	E		N	O	O	N	S		L	O	A	N
T	E	N	N		O	N	L	Y		C	O	U	L	D
	R	A	T	I	N	G	S		R	E	I	L	L	Y
		O	N	U	S		W	A	R	D				
A	V	O	W	E	R		A	A	R	E		W	O	E
N	E	O	N		B	E	T	H	E	S	D	A	M	D
C	A	P	P		A	L	T	O	S		O	R	I	G
E	L	S	A		N	O	N	O	T		A	N	T	E

When the Came Back
Hoechst
anc ch
HERKST
Hoechst is an international group of

The Marshall Plan: A Legacy of 50 Years

When the Americans Came Back to Europe

Economies Faltered as Soviet Threat Grew

By Stephen F. Ambrose

THE WINTER of 1946-47 in Europe was dreadful. In some ways it was worse even than the last and most destructive winter of the war two years earlier. Now Europe, just beginning to rebuild, endured record snowfall. Throughout the Continent, people suffered. There were thousands of destroyed apartments, buildings and factories, with millions of homeless and jobless people wandering in the rubble or standing in distribution lines waiting for food.

Peace had brought promise and, indeed, through the first 11 months of 1946, recovery from the ravages of war had been under way throughout Western Europe, not in repairing public buildings and housing but primarily by getting coal, steel and other basic industries producing. But the winter weather played havoc. Trucks could not move, people could not get to the mines and factories. Meanwhile, Europe's trade patterns had also been smashed. The pre-war flow of goods between Eastern and Western Europe had been shut off by the postwar Soviet imposition of an "Iron Curtain" around the perimeter of its new European empire.

World War III was in the air. The victors in the war — Britain, France, the Soviet Union and the United States — had broken into two hostile, armed camps. Their soldiers stood face-to-face along Germany's Elbe River and in Berlin. The same enemy, totalitarianism, and in a different guise, communism, had engulfed half of Europe and threatened the other half. Joseph Stalin, the Soviet leader, was on the move, threatening to extend his satellite empire, which already included Poland, to Hungary and Czechoslovakia.

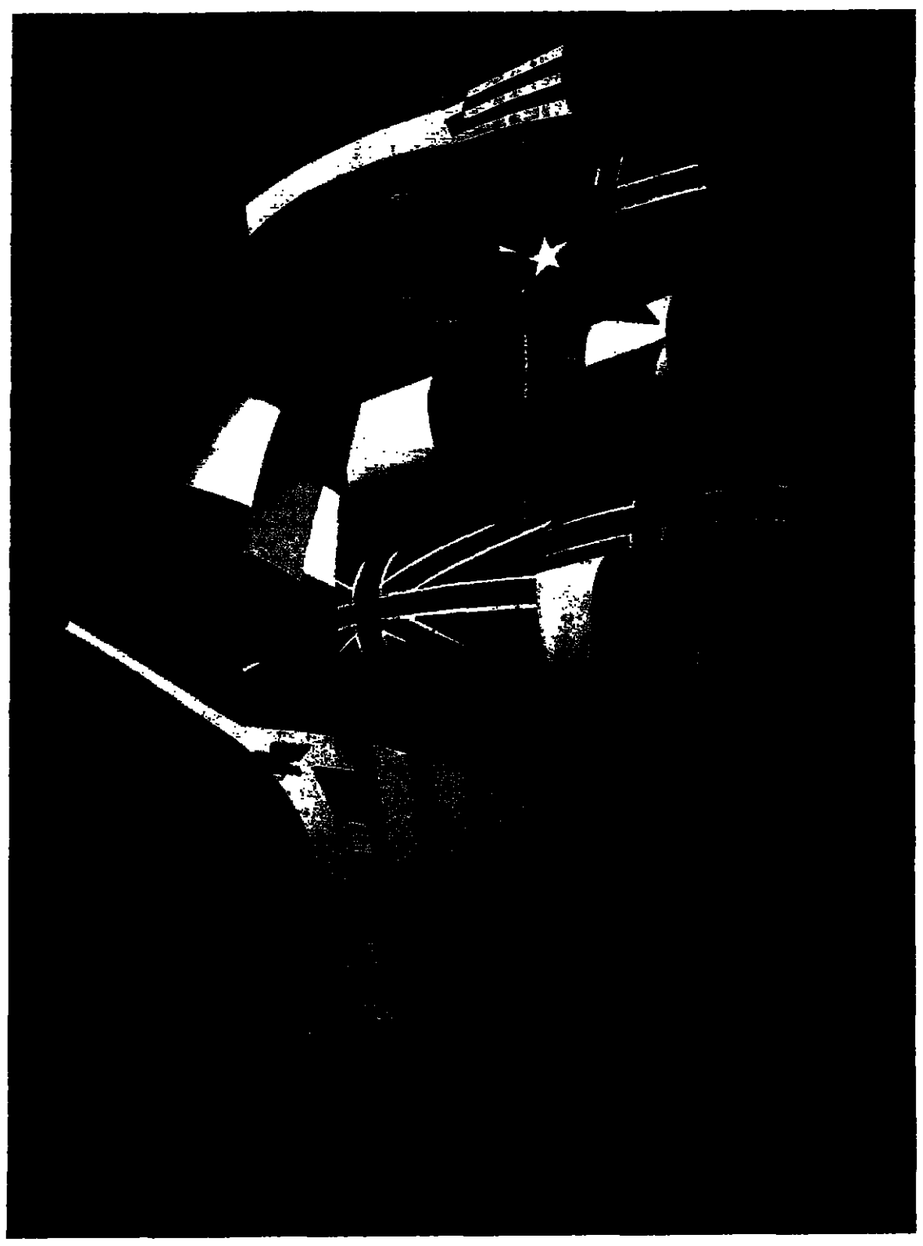
The United States, having paid so much to destroy the Nazis, could not consider abandoning Europe to the Red Army. World War II had come about in part because democratic Western Europe was not united and the United States, having slipped back into its historic isolationism after World War I, was not involved in European security. America's leaders had learned these lessons and were determined to avoid past mistakes.

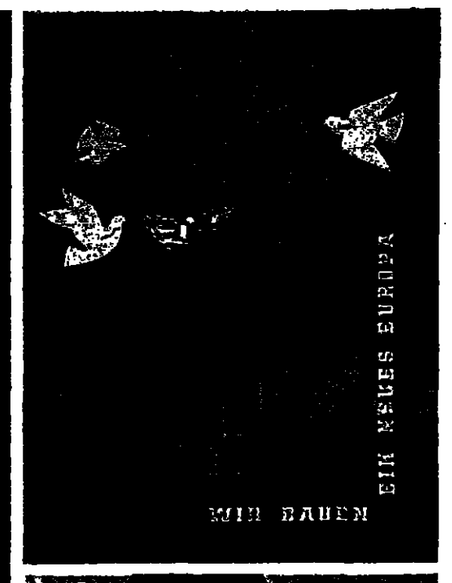
On March 12, 1947, President Harry S. Truman announced a new U.S. policy of the containment of communism through military aid to threatened countries, in this first case, Greece and Turkey. It became known as the "Truman Doctrine," and as a policy had remarkably long legs: every Cold War president stuck to it for the next 42 years.

But the military response was only half what was needed. Even democratic countries that had no Soviet troops on their borders, nor major insurrections on

Continued on Page 10

INSIDE: *Josef Joffe • Madeleine Albright • Michel Crozier • Valery Giscard d'Estaing • Flora Lewis • Barry James • Art Buchwald • Joe Fitchett*





George C. Marshall Research Library; the German Marshall Fund of the United States

These three posters were among the 25 winners of a 1950 contest to capture the Marshall Plan's spirit by artists from 13 European countries.

Hoechst is a world leader in pharmaceuticals and chemicals. But how on earth is it pronounced?

You probably come across us every day, perhaps without even knowing it.

Maybe in our medicines that help doctors keep you healthy or treat serious illnesses.

Or in the food on your table, grown with the help of our agricultural products.

Or maybe in your home or car where our advanced materials such as fibres, plastics and paints make your life easier, safer and brighter.

But with our name some people still get a little tongue-tied!

It's actually very easy.

We're called Hoechst, pronounced "Herkst".

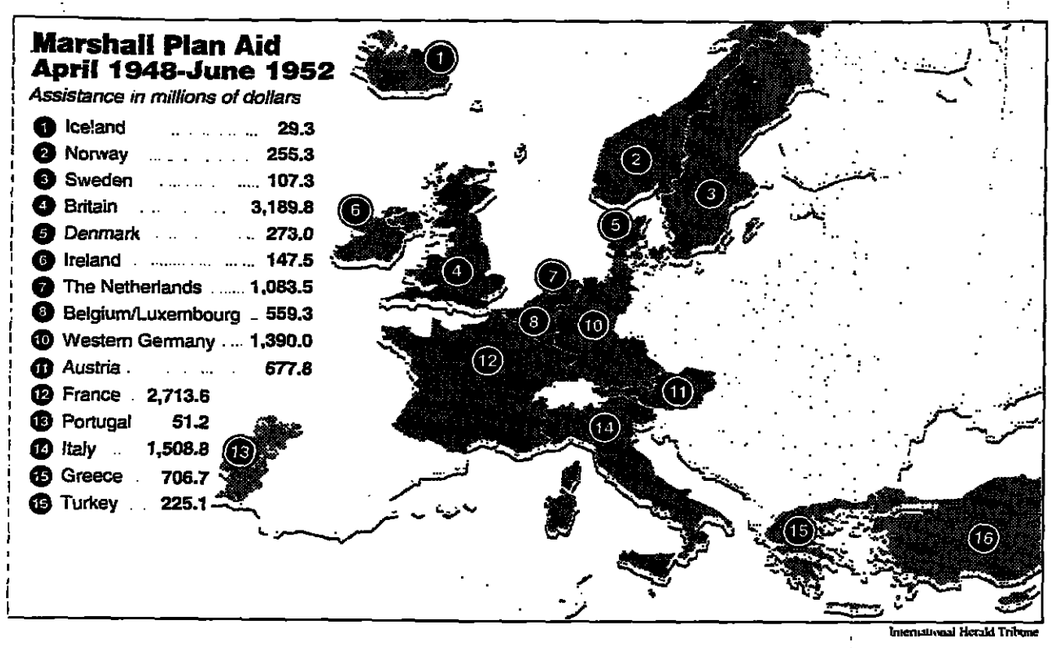
You can say that again!

For more information about our activities please contact

Hoechst
D-65926 Frankfurt am Main
Internet:
http://www.hoechst.com/

Hoechst is an international group of companies spearheading innovation in health care, agriculture and chemicals. With a staff of 145000 people worldwide, annual sales total DM 52 billion.

Hoechst



International Herald Tribune

U.S. National Archives and Records Administration

On average, the aid made up about 2.5 percent of the national incomes of the recipients over four years.

For Germany, Priceless Gift of Pardon

By Josef Joffe

MUNICH — The Marshall Plan wasn't all smoke and mirrors. But it wasn't much by today's standards. All told, the aid package — grants, loans, real stuff like food and fuel — came to roughly $13 billion over three years. That was a pittance compared to the hundred billion dollars western Germany has been plowing into eastern Germany annually since reunification in 1990.

And yet the symbolism mattered much more than the substance in a story that ranks among the finest moments in the annals of American diplomacy.

Try to picture what Europe was like in 1947. It was slowly emerging from the worst war in history. Germany was the most hated nation on the planet. Two years before, Hitler's heirs had rightly expected revenge and retribution without end — Versailles cubed, as it were.

But instead, there were the four "Fs": food, fuel, fiber and fertilizer. These generous Americans, enemies only yesterday, were not Greeks bearing gifts, and the psychological impact was phenomenal.

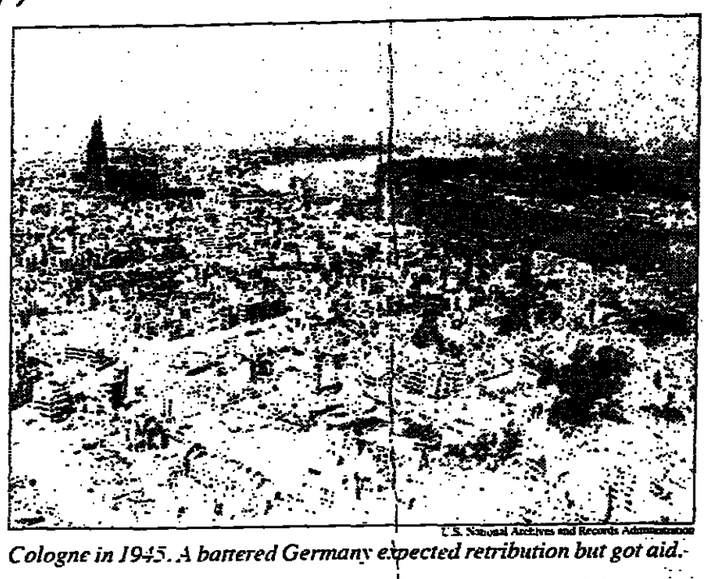
Back at Versailles in 1919, the Germans had been branded like Cain: they alone bore the guilt for World War I. Their lands were amputated, their industries dismantled. They were to pay backbreaking reparations until kingdom come.

And now? Along with the other West Europeans, the Germans were handed the Marshall Plan. In money terms, it wasn't that much. West Germany received only one-tenth of the total — a meager $19 per capita — as compared to one-fourth for Britain and one-fifth for France.

But the real payoff is still impossible to quantify. What was it worth for a pariah to be suddenly part of the club? What price tag do you attach to respectability and community when you thought that you were off to prison forever?

The Marshall Plan was so much more than the four "Fs." Instead of exacting reparations, as after 1919, it offered precious start-up capital. Instead of imposing a discriminatory regime, it opened the door to rehabilitation. And let's not forget what is always ignored. While extending aid, the Americans not only opened their vast market, but also relentlessly pressed the Europeans to resist their protectionist instincts in favor of freer trade among themselves.

This, too, offers a benign contrast to the aftermath of World War I, when competitive devaluation and rising trade barriers regularly nipped recovery in the bud. Sadly, it also makes for a not so benign comparison with the post-Cold War period. Economically, Eastern Europe would be far better off today if the EU had been more generous about opening its own markets. Start-up capital is quickly devalued when the beneficiaries can't sell what they make.



U.S. National Archives and Records Administration

Cologne in 1945. A battered Germany expected retribution but got aid.

If Germany today is an exemplary democracy — the very opposite of the doomed Weimar experiment — we have the Marshall Plan (and of course, NATO) to thank for it. This time, German democracy was associated with prosperity and security, and that made all the difference.

True enough, the United States wasn't all altruism. The Marshall Plan was also conceived as a bulwark against Stalinist expansionism. Especially in Italy and France, with their powerful Communist parties, those clasped hands gracing every crate and bag containing American goodies nicely helped to undercut Stalin's allies in Paris and Rome.

Economically, America was also doing well by doing good. In the war years, the United States had built up the mightiest production machine the world had ever seen. Where would it find customers for its huge surplus unless it provided impoverished Europe with purchasing power?

But in politics, even selfish intentions count for less than the consequences. And in postwar Europe, the economics of the European Recovery Program (ERP) mattered less than the prodigious political payoffs.

Consider French-German reconciliation. Initially, France was obsessed with emasculating German power once and for all. Stalin or not, the French would not even dream of German rearmament. They would have been happy to see West Germany sink to the status of a pastoral economy.

U.S. aid to France, two and a half times bigger than the German share, coaxed the French away from the trap of Versailles and to go easy on reparations and *démontage*. But that was merely a stroke of tactical brilliance. The real genius of the Marshall Plan was its communitarian design.

"If you want our help," the Americans said in so many words, "forget about coming to Washington with your national shopping lists." To be worthy of help, the West Europeans would have to set aside their ancient enmities and agree on supranational arrangements that would tally needs and take care of the distribution.

And so, the grand experiment of integration which progressed from the European Coal and Steel Community to the European Union was born on that historic June 5, 1947, when George C. Marshall proclaimed: It was not America's task to "draw up unilaterally a program designed to place Europe on its feet economically. This is the business of the Europeans."

As Helmut Schmidt, the former German chancellor, puts it in the current issue of the Foreign Affairs magazine: "The emerging European Union is one of [America's] greatest achievements: It would never have happened without the Marshall Plan."

JOSEF JOFFE is editorial page editor and columnist of the Suddeutsche Zeitung in Munich and an associate of the Olin Institute for Strategic Studies, Harvard University.

Combining multi-sourced financing with single-source service.

Our Export Finance Network at work for you.

THE CHALLENGE. For Lithuania, the Klaipedos Nafta oil terminal is a vital source of earnings, but since it had been working at 200% capacity, renovation was essential. The engineering had already started when ABN AMRO Bank was asked to arrange a comprehensive multi-sourced finance deal worth US$ 50 million for the completion of the project. A unique arrangement was structured which was covered by Export Credit Agencies in Sweden, the Netherlands, Germany and the US. Not only did it allow Lithuania to access funds outside its own country, but also allowed the continued participation of suppliers from eight different countries. Under normal circumstances, more than 30 separate contracts would have been required. This milestone agreement is the first multi-sourced financing deal closed in a Baltic country.

THE SUPPORT. Such complex multi-sourced deals are only possible thanks to ABN AMRO Bank's Export Finance Network. Dedicated teams in 21 major exporting countries and in 30 emerging countries put the bank in an unparalleled position to construct tailor-made financing which ensures that the needs of all parties - whether exporters or importers - are fully harmonised. What's more, ABN AMRO Bank's local presence in all world markets - including branches in 8 countries in Central and Eastern Europe - makes it the logical partner for multi-sourced deals. All this coupled with detailed experience of the inner workings of ECAs, backed up by a strong practical knowledge of both international and local regulations, ensures that all parties can enjoy an unsurpassed level of expertise.

FOR MORE INFORMATION ABOUT HOW OUR INTERNATIONAL NETWORK CAN WORK FOR YOU, CONTACT MR. MICHIEL KERBERT, SVP GLOBAL HEAD STRUCTURED ECA FINANCE, TEL. (31-20) 6284369, FAX (31-20) 6286317.

ABN·AMRO · The Network Bank™

Time to Finish the Job for All Europe

By Madeleine K. Albright

AFP

THIS YEAR, we will celebrate the 50th anniversary of the Marshall Plan and the beginning of America's modern partnership with Europe. We will remember the cities and factories revived, the food shipments delivered and the hope restored. We will marvel at the massive, cooperative undertaking by governments, businesses, labor unions and citizens that made it all possible.

But the best way to honor this achievement is to finish the job — for all of Europe.

To do that, we must understand what the Marshall Plan intended to achieve, and what it failed to achieve.

We must first remember that the Marshall Plan was more than an effort to fix the physical damage caused by World War II. Had that been the point, it would have simply restored Europe to the status quo of 1939 — a status quo of faltering economies, disunity and growing disdain for democratic values.

In fact, the point of the Marshall Plan was not to rebuild Europe at all, but to build an entirely new Europe. Its most enduring legacy is visible not so much in the steel mills and railways and farmlands of nations like Germany and France. It is visible in the institutions that ended centuries of European conflict, transcended old ways of thinking, and formed the basis for West European and trans-Atlantic unity.

We must also remember that Marshall aid was open to all, but that Stalin's veto denied its benefits to the lands across the Elbe. For 50 years, the eastern limits of European prosperity and integration were determined not by the choice of free peoples, or by the interests of free nations, but by where the Red Army stopped in 1945.

That unnatural divide is still visible in the economic gulf between Europe's old and new democracies. It is perceptible in the poisoned air that shortens lives from Ukraine to Romania. It is tangible in the desire for greater security felt by citizens from the Baltic to the Black seas, across a region where our century's two hot wars and the Cold War began.

Our challenge in this anniversary year is to overcome the divides of history, culture and habit that still threaten the security and freedom of Europe as a whole. It is to do for Europe's east — in our own self-interest — what we could only do for Europe's west a half a century ago.

We can start by transcending the habits of speech and thought that have crept up on us these past 50 years.

For example, many people still casually use the word "Europe" as if it were synonymous with Western Europe. And just two weeks ago, a headline in a major American newspaper announced the impending admission of "Eastern bloc" countries to NATO, as if the Warsaw Pact still existed and our aspiring allies had to leap across concrete and barbed wire to join us.

It is time we stopped looking at Europe through Rip Van Winkle eyes. It is time to agree that there will not be a truly complete trans-Atlantic partnership in security and trade, or a truly "European" currency or foreign policy, until it encompasses Europe's new market democracies.

That is why America applauds the European Union's decision to strengthen its internal bonds, to expand to Central and Eastern Europe and to keep the door to membership open to other nations, such as Turkey, to the east of what might be called "traditional" Europe. Though we do not have a vote in this process, we do have an interest in seeing it unfold as rapidly and expansively as possible.

A few years ago, President Bill Clinton and the leaders of NATO also had a decision to make. They framed that decision by asking a question: Would NATO be known forever as the organization of countries that were once arrayed against an empire that no longer exists? Or would it be known as an alliance of capable democracies united to meet the challenges of the future?

IF THE second outcome is best, they decided, then limiting NATO to its Cold War membership would make no sense. Our alliance had to be open to those democratic nations that are ready to make a first-class contribution to our common security.

So this July in Madrid, NATO will invite several of Europe's new democracies to begin accession negotiations. Yesterday in Paris, the leaders of NATO and Russia also signed the Founding Act of their new partnership.

These decisions are already being vindicated.

Russia's people and leaders are more determined than ever to move forward with democratic and market reform. There is renewed confidence from Tallinn to Prague to Sofia that the promise of integration in Europe will be kept, that there is a bright light at the end of the tunnel of reform. And as newly free nations prepare to join Western institutions, disputes that defied resolution for decades are melting away, making it less likely that conflict will ever again engulf the eastern half of Europe.

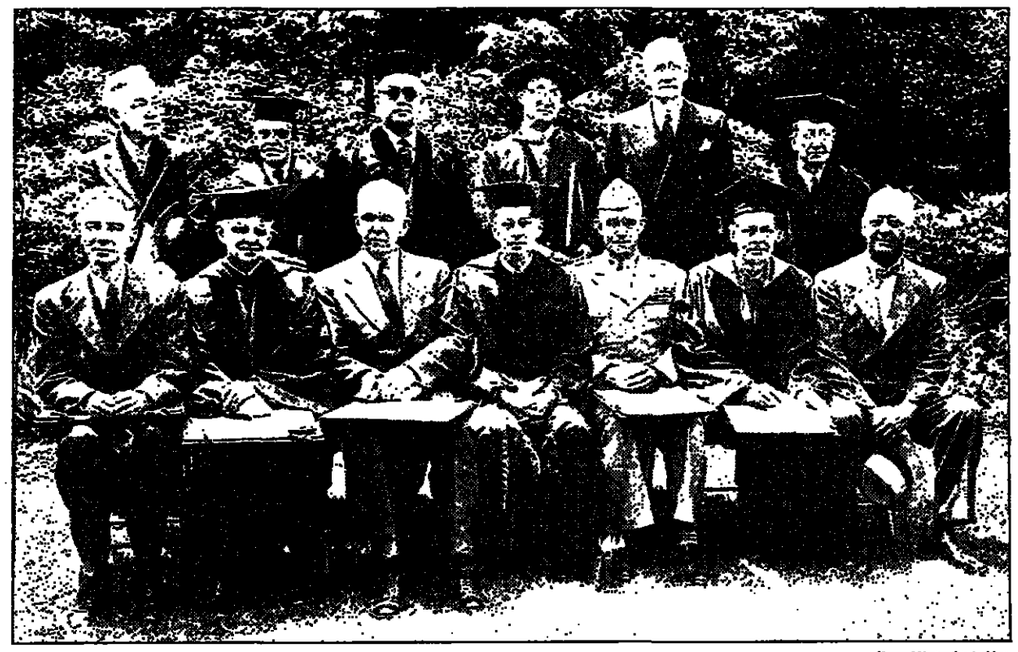
We have refused to limit our vision to the easy part of Europe and that is itself a proper tribute to the spirit of the Marshall Plan. For 50 years ago, there was no "easy" part of Europe; all that we have today was built on rubble.

NATO and the EU represent the victory of integration over the "hunger, poverty, despotism and chaos" that George Marshall saw in Western Europe in 1947. Their renewal and enlargement today is the logical extension of Marshall's strategy and the fitting capstone to the work his generation began.

MADELEINE K. ALBRIGHT is the U.S. secretary of state.

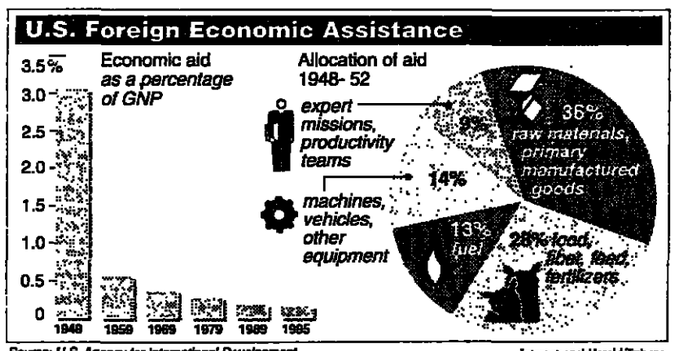
U.S. National Archives and Records Administration

George Marshall heads procession at Harvard commencement on June 5,1947, where he presented his Plan.



Harvard University Archives

Honorary degree recipients at Harvard in 1947. Front row, from left: Robert Oppenheimer, Ernest Colwell, George Marshall, James Bryant Conant, General Omar Bradley, T.S. Eliot, Senator James Wadsworth. Back row: W. A. Dwiggins, Professor George Chase, Hodding Carter, I.A. Richards, William Gibbs, Frank Boyden.



Source: U.S. Agency for International Development — International Herald Tribune

ADVERTISEMENT ADVERTISEMENT

LEARN FROM HISTORY

Marshall Plan Aid for Austria

AFTER the First World War, the losing countries, among them an Austria greatly reduced in size, were faced with economic chaos. The Treaty of St. Germain, with its detrimental stipulations and humiliating conditions, was regarded as ruinous. The young Republic, which had opted for a democratic system of government, felt its sovereignty was being restricted and did not believe it had any chance of economic survival. Austria never managed to overcome this shortcoming in self-assurance during the inter-war years. Its population lent a willing ear to everyone who denounced the Paris treaty stipulations.

THE ideals of 1918, namely democracy and a republican state, became tarnished. In contrast, revanchism and striving for revision were assured of approval. This ethno-psychological syndrome contributed in large part to the *Anschluss* and thereby to participation in World War II.

IN 1945, Austria was once again on the losing side. The country had been bled to death and politically defamed. There was a certain ambivalence in the wording used to describe the situation. Under the terms of the Moscow Declaration of 1943, Austria was one of the countries to be liberated from National Socialist domination. Since it was a country that had been divided by the wartime Allies into four zones and only enjoyed an amputated sovereignty, Austria had to be regarded as occupied territory.

THE end of the war and the armistice were accompanied by negative features such as hunger, disease and shortages of all the necessities of daily life. One-third of the railway network and 10 percent of all living quarters had been completely destroyed. Symbols of national identity such as St Stephen's cathedral and the State Opera house in Vienna had been burnt out. The industrial plants in the east of the country demolished by Soviet Army forces were equivalent in value at then-prevailing prices to one billion Austrian Schillings. The harvest of summer 1945 amounted to barely 50 percent of that brought in in 1937. The population had to make do during the summer of 1945 with a average daily intake of only 350 calories. At the same time, the country was swarming with refugees, returning prisoners of war, ex-internees and displaced persons from all over Europe who had to be fed.

NOT until November 1946 could a daily allocation of 1,550 calories be assured, thanks to supplies from the Allies abroad. Finally, in autumn 1947, the normal minimum daily average of 2,100 calories was achieved. On account of the terrible destruction, the economy had been brought to a halt. Despite the widely differing views of the four wartime Allies regarding the reconstruction of Austria, the Western powers, particularly the United States of America, were determined that the mistakes inherent in the Paris suburb treaties after World War I should not be repeated. The victorious Western powers, particularly the USA, had opted for a different postwar conception for Europe. The rehabilitation program for Europe proposed by George Marshall in 1947 at Harvard University was an offer of assistance for the devastated Continent, not an absolute obligation.

ON behalf of Austria, Foreign Minister Dr. Karl Gruber accepted the American offer of aid after he had obtained the reluctant approval of Communist colleagues within the framework of the federal government in Vienna. The Austrian Socialists gave their wholehearted approval since they saw the chance of realizing state-planning possibilities for the economy under the Marshall Plan system.

AFTER 1947, Foreign Minister Gruber participated in the Paris Conference, which formulated the formal stipulations of the Marshall Plan. On July 1, 1948 Austria officially acceded to the European Relief Programme (ERP). From the Austrian point of view, there were two essential components that contributed to the Austrian economic miracle and thus to the country's much-vaunted postwar success story. One was the fundamental readiness of the United States to finance the economic reconstruction of Europe, and therefore of Austria, instead of - as after the First World War - to threaten with reparations. The unconsidered imposition of reparations after the First World War led to the economic bleeding of the Continent and to radicalization of the political scene, which ultimately caused the world economic crisis and led to hundreds of thousands of people being unemployed. Based on the Bretton Woods Agreement, billions of dollars flowed into Europe and served to get the economy back on its feet again.

FROM American ERP funds, Austria received a billion US dollars, amounting to US$137 per head of the population. It was the second highest amount, after Norway, to go to any country.

AT the beginning, the support was in the shape of foodstuffs and investment goods that could be paid for by enterprises in Schillings. From these repayments, so-called counterpart funds were created that enabled low-interest investment credits to be made available to industry. About 60 percent of these counterpart funds went to nationalized industry, the electricity industry and the railways. This type of recycling persists to the present day in the shape of the ERP-Fonds, which allocated about 5-6 billion Schillings every year for structural promotion credits.

ADMINISTRATION of the ERP funds was in the hands of the Organisation for European Economic Cooperation (OEEC), whereby both GATT and the European Payments Union - which operated a clearing system for European ERP partners - constituted an important instrument of cooperation between individual countries. For Austria - apart from the enormous financial assistance - it amounted to a significant process of learning, which ultimately led to integration within the European Union. Cooperation with other countries in such important sectors as a jointly agreed customs policy linked Austria into a European economic structure. Domestically assured strategies of accommodating to but also of insisting on certain standpoints promoted the self-assurance of the country and its representatives.

IN addition, there was the circumstance that military defeat did not entail further humiliation, but that help toward economic reconstruction provided a chance to display diligence and achievement. The unshakeable self-assurance of the postwar reconstruction generation accrued from this display of confidence. Cooperation and team-spirit clearly led to success. The newly acquired confidence in this country and the faith people displayed in tackling the difficulties of the postwar years were finally transformed into a guarantee of political stability.

THE mostly American reconstruction assistance was also accompanied by a series of domestic measures to which Austria can point with some pride. Austria's politicians of the postwar generation succeeded, through three-party consensus, in creating the political and institutional framework. The centralization of representational interests constituted an important instrument for negotiations and ultimately led to the establishment of the internationally admired Social Partnership. This "consensus between capital and labor in the country" (Ernst Hanisch) was only possible, however, on the basis of foreign assistance. A further vital pillar was the readiness of the population to keep wages down. For years on end, wages trailed behind prices.

THIS discrepancy, however, provided funds that were successfully invested in reconstruction. In view of the geo-political situation of a country on the frontier between two fundamentally opposed systems of economic and political stability, this was of an importance not to be underestimated. Instead of negative personal assessment, instead of the "unfitness for life" which prevailed after the First World War, Marshall Plan aid enabled an aura of a reconstruction generation to arise that for decades rendered this country resistant to political enticement.

Michel Crozier /**French Sociologist**

U.S. Labor Unions Seized 'Golden Opportunity' to Oppose Communists

Michel Crozier, 74, a distinguished sociologist, helped modernize France with insights about the workplace partly gained from his Marshall Plan experience. His books include "The Bureaucratic Phenomenon" and "The Stalled Society." He is director emeritus of the Center for the Study of Organizations in Paris and visiting professor at Harvard and the University of California (Irvine). Crozier talked to the International Herald Tribune's Joseph Fitchett about the plan's enduring impact over a half-century.

Q. When did you first hear of the Plan?

A. In 1947, I wanted to study U.S. labor unions and got a French fellowship to travel around America. Everywhere I turned up, people were debating the same subject — the Marshall Plan. What impressed me was the breadth and depth of public involvement in the issue, extending from the nation's top policy-making elite to all kinds of local decisionmakers, embracing both the political classes and people in all walks of life.

Naturally, like any aid program, it was going to touch people directly in the beneficiary countries, but what was surprising was that it also powerfully mobilized grass-roots Americans — just as it would later affect the lives of almost everyone in Western Europe.

Washington was pulling out all the stops to get backing, and union activists were fighting hard for it, so everywhere I went a union local would call a meeting and say: "Here's a brother from France, and he's going to tell you why the Marshall Plan is vital."

I would explain that my country had been destroyed, but that we were determined to rebuild and it was extraordinary and wonderful to know that we were going to get help from our friends. I barely spoke English, but there was always enthusiastic applause.

•

Q. Why do you think Americans were so responsive to the Marshall Plan, especially unions? Today they resist programs increasing U.S. imports and creating jobs abroad such as the North American Free Trade Agreement.

A. The Marshall Plan's generosity and idealism tapped into Americans' desire to think of themselves as a moral nation. At the time, it worked brilliantly as an idealistic alternative to communism in what we now call middle America and particularly for the unions, which were strongly anti-Communist. So it was a great political cause, which also offered the unions a golden opportunity to stake out a more influential and prestigious role for themselves in U.S. affairs.

Take France, the trickiest country for the Marshall Plan because of ticklish sensibilities among the independent-minded French. The Communists had emerged in a strong position after World War II, mainly because of the party's role in the Resistance.

Michel Crozier

But what was really important was the big trade union, the Confederation Generale du Travail (CGT), which was more powerful than the French Communist Party and had a broader influence. The union's leaders were militant Communists actively engaged in infiltration and subversion. That was a battle which U.S. labor leaders, who had been active overseas politically during World War II, were spoiling for.

American labor as a whole backed the Marshall Plan because the leadership was obsessed about full employment. America had only emerged from the Depression a decade earlier thanks to the economic stimulus and manpower demand in World War II. There were fears the country might slide back into depression now that the war was over. The Plan would give a fillip to U.S. manufacturing and create jobs.

In addition, unions got posts in Europe for lots of their people working with the Marshall Plan. It was a boost for labor's position in the U.S. domestic system to have this recognition of the unions' foreign role against communism. It was the beginning of your system of labor attachés in U.S. embassies. Scores of veteran labor organizers went to Europe to evangelize for the U.S. model of strong unions and vigorous negotiations for worker benefits. They argued that workers got no tangible benefits from political strikes of the kind ordered by Communist-run unions. In contrast, the U.S. message was the bread-and-butter goal of workers' prosperity in Europe.

Q. How were you affected?

A. It was a tremendous intellectual battle. Postwar France was a conflicted society, bitterly factional, with the Communists enjoying a very powerful position in political and electoral terms, controlling the labor scene and dominating intellectual life. They opposed America and U.S. influence, so a big body of French opinion was hostile to the Marshall Plan because it was American, describing it as a blueprint for colonizing France or as a new guise of the German occupation of France that called for a new resistance. Very few in intellectual or academic life dared stand up to the Communists' moral terrorism. Someone like myself, considered pro-American, was ostracized in many circles as a "reactionary." The stigma was powerful, and I suffered from it in the sense that my work didn't have the official recognition, and the audience, that it would have enjoyed in normal circumstances. I'm not complaining; it's just the way it was.

•

Q. If it was such an uphill battle, how did the Marshall Plan succeed?

A. It's a long story in every sense, including the fact that some important results only emerged over time. For instance, the Marshall Plan introduced a more modern notion of managers and experts in French business and government, mainly through "productivity missions." These weren't just know-it-all U.S. experts bossing around the French. Many of them were group trips — similar to sending a dozen French carmakers now to spend two days at General Motors on its Saturn assembly line and giving them an opportunity to talk to everybody.

For the French it was a perfect eye-opener, an example of a nonhierarchical society that worked — exactly the opposite of what we had that wasn't working and was going to work even worse in future. The U.S. example was inspiring, but people only gradually managed to absorb the need to listen to people on the shop floor and learn how to introduce changes incrementally to improve a group's approach to a problem, a breakthrough in French management and management consulting.

So it took time, but over the years U.S. ideas changed France profoundly. If it hadn't been for the Vietnam War, which tilted French politics into a new leftist period, France and the United States would have a completely different relationship today.

Q. And your personal involvement?

A. After my U.S. trip, I was sent on a productivity mission in 1956 which was an outgrowth of the Marshall Plan financed by French counterpart funds. That led to a year at Stanford's Behaviorial Sciences Center. It was sponsored by the Ford Foundation, which was very much a part of the intellectual climate that produced the Marshall Plan. Then I got a substantial grant from those counterpart funds to analyze the functioning, on the shop floor and in management, of France's state-run tobacco monopoly. With my Marshall Plan aura, I had complete freedom and easy access to people, and that made it possible for me to pioneer new methods of sociological analysis. It launched my intellectual career and influence in France.

The Seeds of European Union: Can 1997 Match Initiatives of 1947 and 1957?

By Valery Giscard d'Estaing

The following are excerpts from a speech, titled "From The Marshall Plan to the European Union 1947-1997," that Valery Giscard d'Estaing made to the Chicago Council on Foreign Relations in Chicago on April 14.

THE GREAT European Union movement would probably never have begun without the bold initiative of Secretary of State George Marshall. . . .

The speech he gave at Harvard was remarkable in every way.

It had been prepared by a group of experts that included the most outstanding minds of the time. George Kennan, to whom we owe the doctrine of containment; William Clayton, who had drawn the secretary of state's attention to the dramatically worsening economic situation in Europe, on the verge of starvation and bankruptcy; and Charles Bohlen, who actually wrote the draft for the speech. Marshall himself put the finishing touches to his text in the plane carrying him to Cambridge. . . .

The original idea of the Marshall Plan was to enable Europe to restore a trade-based economy, if need be by means of imports, so that the machinery of a European economy could once again function normally, after which it would cope with the job of reconstruction itself.

Marshall aid was about balance of payments aid rather than a budget subsidy. This can be verified by studying the breakdown of this aid: 46 percent went toward purchases of food and cotton from the United States, 16 percent to buying coal and 19 percent to steel and aluminum. Only 14 percent went into capital goods per se. . . .

The Plan succeeded brilliantly. Since the beginning of the war, the average standard of living of Europeans had fallen by 8 percent, the Germans' by 15 percent and the Italians' by 26 percent. By the end of 1951, after three and a half years of Marshall Plan, the standard of living had leapt up by 33.5 percent. And more important still, the program, thanks to the targets it had set itself, laid the foundations of the exceptional economic growth enjoyed by Europeans over the next 30 years, with an annual average of 4.8 percent.

The second innovation came in the form of an appeal to Europeans to unite.

George Marshall stated: "It would be neither fitting nor efficacious for this government to undertake to draw up unilaterally a program designed to place Europe on its feet economically. This is the business of the Europeans. The initiative, I think, must come from Europe." In this remarkable sentence you find the two monoes which should govern for all time to come the relationship between the United States and Europe, and inspire the long search by the Europeans for their unity.

Marshall's appeal to the Europeans to take charge jointly of the aid program was singularly audacious when one thinks of the circumstances of the time. It was just three years after D-Day in Normandy, and only two years since the end of the war. This appeal was addressed to the Allied countries of Europe, Britain and France, but also to the adversaries of yesterday; Germany and Italy. In fact, the four major recipients of the Marshall aid were precisely these countries.

George Marshall made no mention of the goal of European Union, as Robert Schuman did a year later. But the structures created to administer Marshall aid, under the especially skillful and energetic leadership of Paul Hoffman, heralded the institutions that six European states would make for themselves 10 years later. Without the positive achievements of the Marshall Plan in restoring economic balance and expanding trade, this undertaking would most probably never have succeeded.

•

It is now 40 years ago, on March 25, in the magnificent Palazzo del Museo Capitolino in Rome, designed by Michelangelo, that the heads of government and ministers of foreign affairs of six European countries signed the treaty that brought into existence the European Economic Community, known as the Common Market. . . .

These six countries all received Marshall aid. They were indeed the main beneficiaries of it. The only one missing was Britain, who had been invited to join in the negotiations but preferred not to come.

The treaty set out to achieve two objectives — one was economic, the other political. The economic objective was explicitly clear: do away with all trade quotas, completely phase out customs duties between participating countries and set a moderate, common external tariff. It was in 1992 that this goal of a single market was finally achieved with the implementation of the well-known Single Act.

The political objective was never written into the treaty, but it was present in the minds of all the signatories. . . .

The institutions created by the Treaty of Rome went substantially beyond what was required to reach the economic objective: an executive, a parliament, a court of justice. In fact, it was the framework of the future European federal entity that was being established. And these institutions have remained unchanged ever since, despite the enlargement of the European Community from the six member states of 1957 to the 15 of today.

•

In trying to describe the long unbroken trajectory from the Marshall Plan to the European Union, I have not answered the simplest question that you are probably asking yourselves: Will there ever be the equivalent of the Philadelphia miracle for Europe (the 1787 Congress that succeeded in raising the pillars of the U.S. Constitution)?

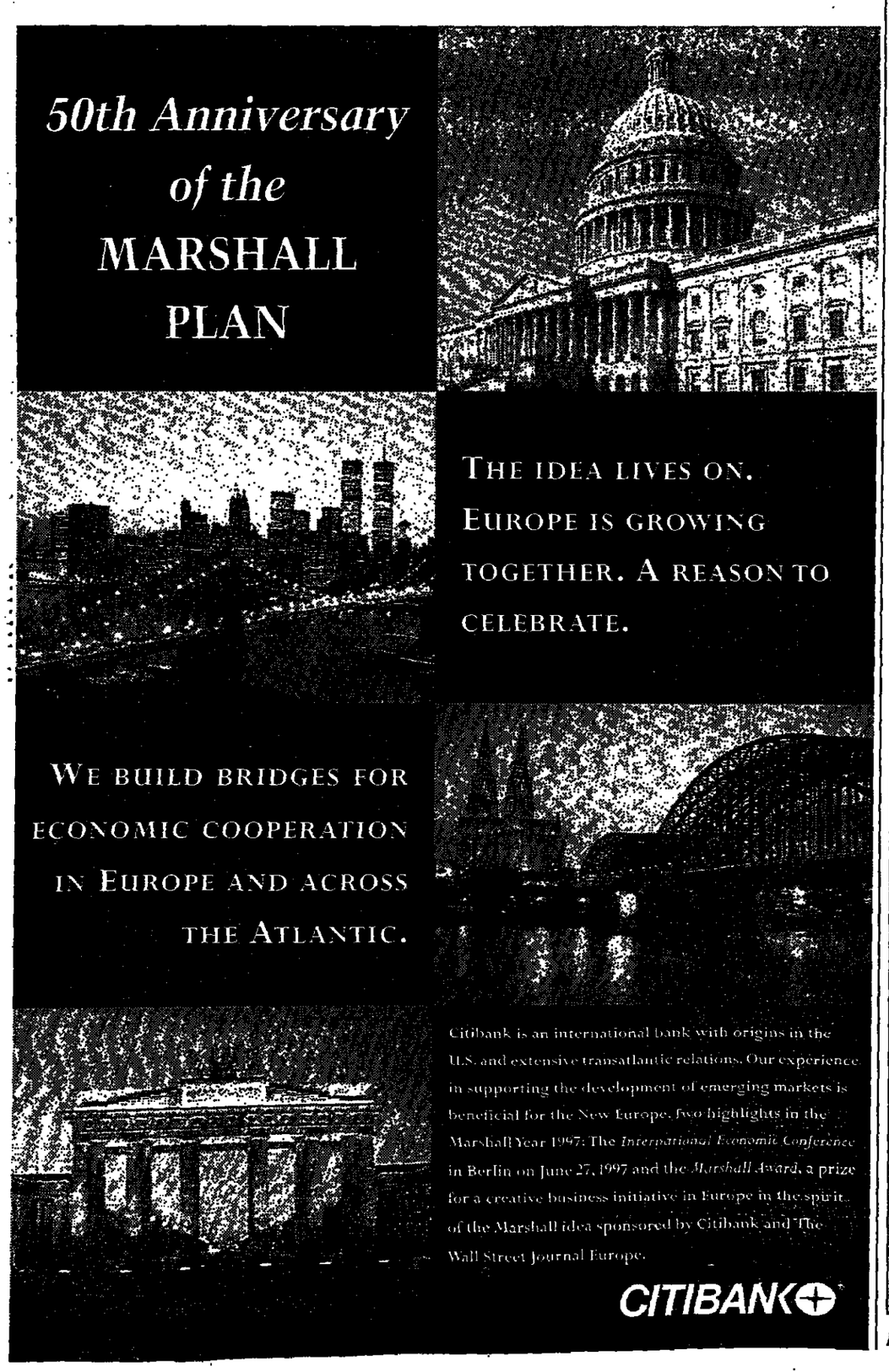
The basic law of the European Union, which would order and rank the various diplomatic treaties since 1957, still remains to be written.

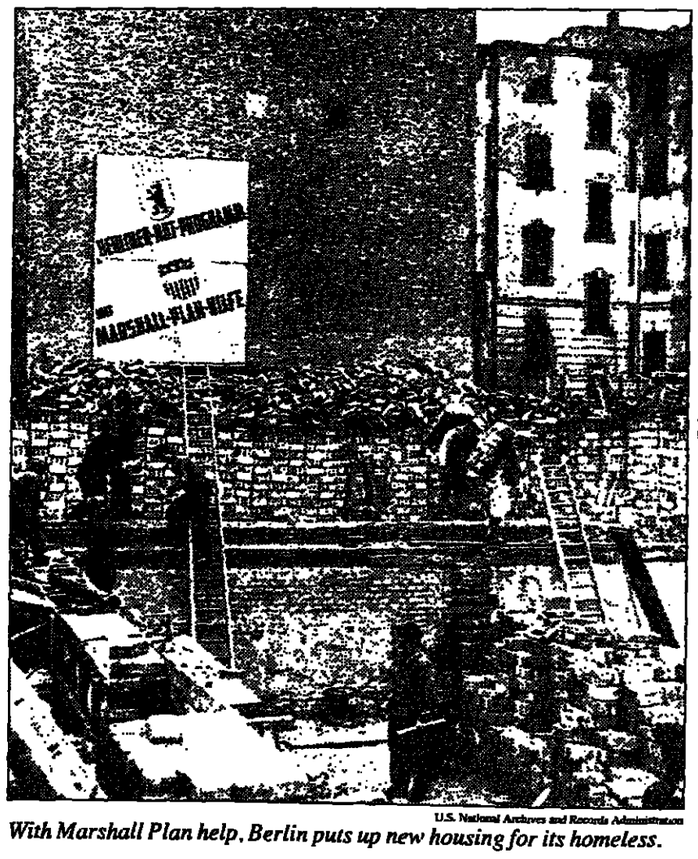
Could one imagine the major European leaders devoting a few days, or even a week or two, of their time to come together, far from the public and media gaze, in a room adorned with the statues of Dante, Goethe, Shakespeare and Victor Hugo, and with contemporary busts of Jean Monnet, Konrad Adenauer, Alcide de Gasperi, Robert Schuman and Paul-Henri Spaak, to debate and draft — no office routine and no lobbies allowed — as they did in former years in Rome and at the Elysee, this charter of the European Union that the peoples of our Continent are anxiously awaiting?

You probably will say that would take a miracle.

But that is just what miracles are — always improbable, never impossible.

VALERY GISCARD D'ESTAING, a former president of France, is chairman of the Foreign Affairs Committee of the French National Assembly.



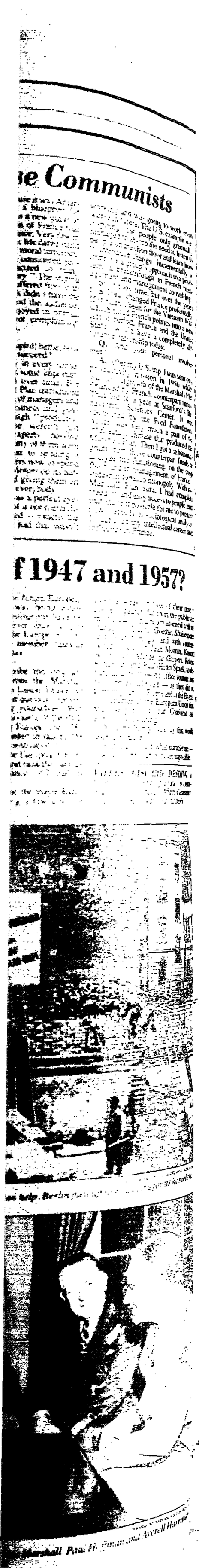


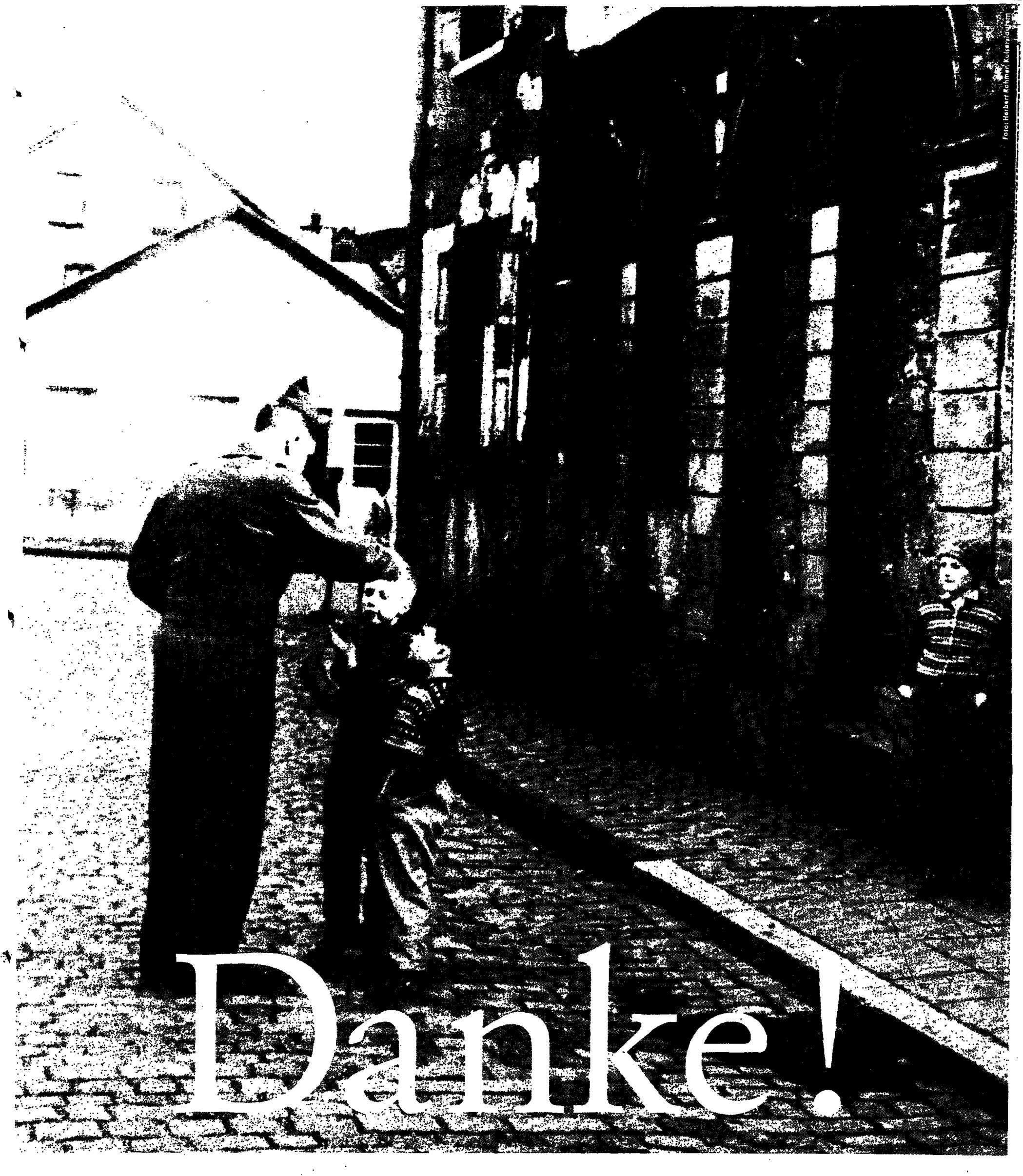
U.S. National Archives and Records Administration

With Marshall Plan help, Berlin puts up new housing for its homeless.

U.S. National Archives and Records Administration

President Truman meeting in November 1948 with George Marshall, Paul Hoffman and Averell Harriman.





Fifty years ago, the United States helped us at a time when we were in dire need. The Marshall Plan gave us the tools and the support we needed to clear away the rubble and devastation of the war so that we could feed our families and re-build our homes, our businesses, and factories. It helped us to start over again so that we could learn to live together in peace and freedom. Especially here in Rhineland-Palatinate, wartime enemies became good friends, helpful neighbors and reliable partners. This partnership has had an indelible impression on our state.

Over fifty thousand Americans still live and work here – the largest American community outside of the United States. They enjoy life between the rivers Moselle and Rhine, next to historic castles, over a glass of fine wine. Old traditions and modern times have formed a harmonic and dynamic union here at the very heart of Europe. Come to visit us and see for yourself!

Kurt Beck, Minister President of Rhineland-Palatinate

For further information please call: phone +49-6131-164712; e-mail: Poststelle@stk.rp.dbp.de; internet: http//www.rpl.de

THE MARSHALL PLAN / A SPECIAL REPORT

Marshall Hoped to Get the 'Patient' Back on Its Feet and Foster Stability

Continued from Page 5

their soil, were threatened — by the ballot box. Communism had great appeal; in France and Italy, the Communists were getting close to 30 percent of the vote, and Communist-led strikes were making conditions worse in the chaotic winter of 1946-47 and people more desperate.

Through the recently established United Nations Relief and Rehabilitation Administration (UNRRA), the United States was providing sufficient food to Europe to ward off starvation. But the program was subject to widespread criticism for its piecemeal nature and for its bureaucratic inefficiencies.

Compounding the crisis, wartime-bred hatreds remained white hot, especially among people who had been under occupation by the Germans, which was just about everybody on the Continent. The French statesman and political economist, Jean Monnet, was struggling to create a Europewide coal and steel community, but his efforts were hampered by anti-German sentiment. The French wanted recovery for themselves, but they were not so sure they wanted Germany to recover. A disunited Western Europe was facing an increasingly united Eastern Europe.

IN MARCH 1947, the newly appointed U.S. secretary of state, General George C. Marshall, went to Moscow for a foreign ministers' conference. Marshall, who as chief of staff of the U.S. Army in World War II had been the architect of victory, was by far the most respected man of his day.

Marshall deplored the war talk going on in Washington. He wanted to cooperate with the Soviets in rebuilding Europe, not fight them. He hoped to convince them that everyone would benefit if the Soviets would remove the Iron Curtain. But to every proposal he made to the Soviets in Moscow to work together, the answer was no.

Returning through Western Europe from Moscow, Marshall was shaken by the seriousness and urgency of the situation. Europe's leaders were close to despair, their people too. They didn't know how they were going to meet the Soviet threat or restore their economies. In a nationwide radio address upon his return to the United States, Marshall put it concisely: "The patient [Europe] is sinking while the doctors deliberate."

Marshall was accustomed to facing great challenges and making big decisions. Winston Churchill said he did more than any other man to bring about victory at a time when nothing less than the fate of Europe had been at stake. Now, two years after V-E Day, Europe's fate was once again in the balance. Only a combination of inspired leadership and teamwork could save it. Marshall went to work. Typically, he turned to experts for the details. He told the State Department to get to work on a European Recovery Program (ERP), which later would become popularly known as "the Marshall Plan."

It was a team effort in which many men played critical roles, starting with the undersecretary of state, Dean G. Acheson. William L. Clayton, the undersecretary of state for economic affairs, had first grasped the underlying reasons for Europe's plight — and its corollary, the threat to U.S. exports. The basic approach to Europe was worked out by the State Department's Policy Planning Staff led by George F. Kennan, who had authored the famous dispatch known as "the long telegram" and then the article, signed with an "X," in the quarterly, Foreign Affairs, that alerted American leaders to the dangerous course of Soviet postwar policies and posited containment as the best U.S. response. His colleague and fellow European specialist, Charles E. Bohlen, helped refine the politics. James V. Forrestal, the secretary of the navy, was an early hawk who brought Kennan to Washington and broached the idea of using U.S. economic power to contain Russia.

'Europe was as close to destitution as a modern civilization can get. She could not grow enough food and she could not find the money or goods to buy food elsewhere.'
Theodore H. White, 'Fire in the Ashes'

But the Marshall Plan is aptly named. Marshall was the driving force, not only because of the power of his name and office but also because of his ideas, salesmanship, administrative ability, enthusiasm and energy. Years later he told his biographer Forrest Pogue that he worked harder on, and for, the ERP than on anything else in his life. Marshall never would have accepted the title of the man who saved Western Europe, or anything remotely like it, but certain it is that no man did more to put in place a work of such scope, magnitude and importance with such clear purposes.

One general aim was to prime the pump. The ERP would be a hand-up, not a handout. Marshall's planners were sensitive to the criticisms of UNRRA and recognized the political reality that American taxpayers were not going to continue feeding Europe indefinitely. (U.S. taxpayers did pump $9 billion into UNRRA between 1945-48, mostly in food aid.) So they set a time limit and established definite goals. They counted on having a pump ready to be primed. Europe had the workers and managers, the institutions, the capitalist know-how. What Europe needed was capital to purchase raw materials, machine tools, heavy equipment, fertilizer.

It was characteristic of Marshall that he saw not only challenge but opportunity. The special genius of the ERP was its insistence on dealing with Europe as a whole. The country-by-country policy of UNRRA was a cause of confusion and inefficiency. Having been drawn into two European wars in their lifetimes, U.S. leaders felt it was past time for Europeans to form a union, a sort of United States of Europe. Not wanting to force anything on the Europeans, Marshall, Acheson, Kennan and the others required Europe's leaders to get together and present their own plan for using the ERP money. The United States would then respond to the request. In the process, the basis for a new economic union in Europe would be laid, and beyond that a military alliance and the possibility of a new political union.

The planners further saw the ERP as good for the American economy. First, most of the credited dollars would be spent in the United States. Second, as Clayton saw and Acheson explained, often to reporters over martinis in his office at the end of the day (one of the first instances of spin control), American exports were running at $16 billion a year, imports at less than $8 billion. Most of the exports went to Europe. If the Europeans were to pay for them, they had to have dollars which they could only get by producing goods America could import. If the Europeans were going to pay for their own defense, as Americans very much wanted them to do, first they had to get their economies moving.

ERP was not a partisan effort. Republicans, led by the pre-war isolationist Senator Arthur H. Vandenberg, chairman of the Senate Foreign Relations Committee, got behind it.

Nor was it an overt anti-Soviet effort. The Soviet Union had suffered more than any other participant in the war, even Germany, so if the Plan's goal was to rebuild Europe, the Russians had to be dealt with. Kennan decided that the United States should "play it straight" by inviting Moscow into the ERP, but only on the condition that the Soviets open their economy to Western investment, their markets to Western products, their account books to Western administrators. Soviet satellites — including Hungary (which was taken over by proxy in May 1947) and the Soviet-occupied zone of Germany — were also invited into the ERP, but only on condition that they also open up. So, too, was Czechoslovakia, still independent even though the Communists had a strong position in the government and Red Army troops stood just across the border.

By late May 1947, Kennan's team had the ERP offer ready, though not the details of the plan: an integral part of the offer was that the Europeans themselves would work out the details. Weighing options about where, when and how to announce it, Marshall, who had a long-standing invitation to speak at Harvard, chose the 1947 commencement, which happily came on June 5, the eve of the third anniversary of D-Day. On May 30, in a memo, he told his staff to "prepare a draft for a less than 10-minute talk by me at Harvard to the alumni. I will supply the polite references to the occasion."

The speechwriters were instructed to stress the urgency of the situation because, as he said later: "The whole world's future hangs on a proper judgment, hangs on the realization by the American people of what can best be done, of what must be done."

To explain the crisis in Europe, he said, he wanted to make a special point: "Since 1938 there has been practically no development of peaceful business. Nationalization has disrupted the business structure. Firms have lost contact with each other, particularly across borders. . . . We have been too prone to estimate the collapse of business on the basis of visible destruction, but it now appears that the conditions outlined above are more serious than the actual demolishing of plants and rupture of communications."

MARSHALL, the career soldier, understood economics better than the economists. He also knew more about diplomacy than the diplomats and more about politics than many of the politicians. He did not put out an advance copy of the speech, nor did he clear his text with Truman, who had only a general idea of what the ERP proposal was going to be. Marshall understood that his challenge was not to sell the idea to the president — or even, at first, to a new Republican Congress that was potentially hostile — but to the people.

In his memo to the staff, he had written: "It is of tremendous importance that our people understand the situation in Europe and the plight of their people." He wanted to set off a national debate over policy, not sneak a new one in by political manipulation.

On June 5, in a low voice but with clearly stated, simple language, Marshall announced the plan for the ERP. He said: "Our policy is directed not against any country or doctrine but against hunger, poverty, despotism and chaos. Its purpose shall be the revival of the working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist."

"Any country that is willing to assist in the task of recovery will find full cooperation," he said, adding that "the initiative must come from Europe. The role of this country should consist of friendly aid in the drafting of a European program and of later support of such a program. The program should be a joint one, agreed to by a number, if not all, European nations."

Marshall spoke to the role of the American people: "With foresight, and a willingness on the part of our people to face up to the vast responsibility which history has clearly placed upon our country, the difficulties I have outlined can and will be overcome."

That evening in Britain, Foreign Minister Ernest Bevin was listening to the BBC's regular feature program, "American Commentary," and heard reporter Leonard Miall (who had been briefed by Acheson about the U.S. initiative) describe "an exceptionally important speech which propounded a totally new, continental approach to the problem of Europe's economic crisis."

Bevin recalled afterwards that he "grabbed" the offer "with both hands." Suggestions by his staff that he query Washington were brushed aside — "It doesn't matter what he said; now what matters is what we do" — and by morning he had been in touch with the French foreign minister, Georges Bidault, and had arranged a meeting in 10 days. Their main worry: What would Moscow and its satellites do? The two ministers decided to meet the issue head-on and invite the Soviet foreign minister, Vyacheslev M. Molotov, to join them in planning a conference of European nations to respond to the U.S. offer.

Marshall's speech made headlines everywhere and had a salutary effect on European morale. The Americans were coming back to the Continent, as they had in 1917 and 1944. But the world was on tenterhooks as Molotov and the 120-member Soviet delegation arrived in Paris on June 27.

The three-way talks were grim — secret but with all sides talking to the press. The Soviets were in a dilemma: to refuse to take part meant the creation of an anti-Soviet, pro-democracy Western bloc; to accept meant economic and media penetration by the Western democracies into the Soviet satellites, even Russia itself.

Molotov proposed that each nation establish its own recovery program. The French and British insisted on a Europewide program. On July 2, Molotov stalked out, condemning "American imperialism" and warning that a revived Germany would dominate Western Europe. He had the cheek to charge that the ERP would "divide Europe into two groups of states." Within a week, he announced a "Molotov Plan" for Eastern Europe.

Britain and France pressed ahead, inviting 22 nations (including Russia and the satellites in case Moscow changed its mind) to a full-scale European conference on the Marshall offer. (Germany would be represented provisionally by those of the four occupying powers who came.)

Some see the Molotov walkout as a historic turning point. But others insist that it was in the cards all along, that Stalin had no choice because Kennan had stacked the deck by demanding that Stalin open his empire and cooperate with the West.

There was a view that Moscow could have succeeded in killing the Marshall Plan by joining it. Jan Masaryk, Czechoslovakia's U.S.-educated foreign minister, made the point to a friend: "Do you see Truman and Congress forking out billions of dollars to Enemy Number One, Communist Russia, from whom we all have to be saved?"

There is also some evidence to indicate that Stalin thought the United States could not make good on its economic promises: that he expected the ERP to fail and hoped the Soviets could pick up the pieces in Western Europe. For the Soviet people, he made a disastrous choice; for the Communist Party of the Soviet Union he made the right choice. The world had to wait four decades before the Soviet rulers brought themselves to reverse that choice.

In that summer of 1947, 16 West European nations finally accepted the French-British invitation. (The Czechs accepted, then canceled two days before the meeting under pressure from Stalin.) On July 12, they started working on the terms of ERP, consulting closely with Marshall's people in trying to fuse their national shopping lists.

By August, they had a plan asking for $28 billion over a four-year period, and the British diplomat Sir Oliver Franks, the conference chairman, came to Washington and told Robert Lovett (who had succeeded Acheson at State): "The forging of the recovery of Western Europe can only be done once and it has to be done now."

On Dec. 19, 1947, Truman presented the ERP to Congress, after reducing the proposed amount to $17 billion. In recognition of Marshall's leadership and prestige, Truman began to refer to the measure as the "Marshall Plan." A presidential election was coming up and he was trailing badly in the polls; as he realistically told his supporters, "Can you imagine its chances of passage in an election year in a Republican Congress if it is named for Truman and not Marshall?"

Even so the ERP had some intense opposition. To many congressmen, the Plan was another New Deal giveaway, and to foreigners at that. Senator Robert A. Taft, "Mr. Republican," proclaimed that American money should not be poured into a "European TVA" — a reference to the Tennessee Valley Authority, a government-built and run power-generating and regional development program that was a showcase for the New Deal and anathema to Republicans. His fear was that the Europeans would use American money to nationalize basic industries: he characterized the ERP as "a bold Socialist blueprint." Much of this was election-year posturing (Taft was a leading Republican presidential candidate), as everyone knew the United States was going to have to do something. The polls showed the people more favorably inclined to the ERP than the Congress by a wide margin.

'Congressional approval of the Marshall Plan was a turning point in the history of the world.' Winston S. Churchill

MARSHALL and his staff worked at bringing the politicians around. They conceded a point demanded by the National Association of Manufacturers, that "aid should be extended to private competitive enterprises instead of to governments." This was one of the most important of the many innovations in public policy planning and execution that made up the ERP. They sent congressional investigating teams to Europe to see for themselves. One who went was the freshman Republican Richard M. Nixon. He had been against the ERP; so were his constituents. So convinced of the need was he after seeing for himself, when he got back to California he worked to turn his constituents around, and did.

Mainly, however, Marshall relied on the people to force the Congress to act. The State Department organized debates on college campuses, sent out its top people to make speeches, published books, pamphlets and articles, and in general sponsored a national debate on this crucial question.

The best spokesman was Marshall. Although a flat, uninspired public speaker, he was extraordinarily effective in getting Congress to follow his lead. His secrets were that he never lied or exaggerated and he had a marvelous sense of their point of view — he knew and appreciated the pressures the politicians were under — and an ability to get them to change. At a congressional hearing he warned that if the United States turned down the ERP, "we must accept the consequences of the collapse [of Western Europe] into the dictatorship of police states." He went to every region of the country. Years later, he told Pogue, "I talked to the women's organizations about ERP. 'You will put it over,' I said, and then I went into it. My goodness, they went back home and they scared Congress to death. You never saw such rapid action in your life. . . . Those women went after those congressmen. It was electric, what happened, just electric."

But congressional hearings dragged on. In January 1948, Truman tried to speed things up by reducing the initial appropriation from $17 billion over four years to $6.8 billion to cover the first 15 months. Still no action.

Then came the Czechoslovak coup in late February. The easternmost of the European democracies, Czechoslovakia was already dominated by the Soviets. Now it had become a Communist dictatorship and a Soviet satellite. The Communist seizure of absolute power in Prague brought to many minds the unhappy thought that it was just there, just at this time of year, nine years earlier, that Hitler had overrun the Czech capital.

EVENTS rushed forward. On March 5, 1948, General Lucius D. Clay, in command of U.S. occupation forces in Germany, sent a telegram to Washington: "Although I have felt and held that war was unlikely for at least 10 years, within the last few weeks, I have felt a subtle change in the Soviet attitude which gives me a feeling that it may come with dramatic suddenness." Congress heard from Marshall the following week that the situation was "very, very serious." Three days later, the Senate endorsed the ERP by a vote of 69 to 17. Three days after that, Truman told a special session of Congress that America must meet "this growing menace to the very survival of freedom."

On March 16, 1948, France, Britain and the Benelux countries signed the Brussels Union, pledging mutual defense. Truman immediately welcomed the move and promised in a speech the next day to Congress that American aid would be forthcoming to the signatory nations "to help them to protect themselves." It was a seed from which NATO, the North Atlantic Treaty Organization, would grow a year later. Thus did military and political needs go hand-in-hand: as Truman put it, the containment doctrine and the ERP were "two halves of the same walnut." On March 31, the House passed the ERP by 318 to 75, although it appropriated $5.3 billion, not the $6.8 billion Truman had requested.

The ERP was and is unique in that it was the only aid program that stipulated a set of economic objectives and a set time frame for their fulfillment. The act mandated a recovery plan based on specific endeavors: a strong production effort; expansion of foreign trade; creation and maintenance of internal financial stability; European unity. The follow-up appropriations would depend on progress in these areas.

A major congressional requirement had been that a businessman, not a bureaucrat, run the program. Marshall agreed. Paul G. Hoffman, an automobile salesman, self-made millionaire and former president of Studebaker cars, took the job. His representative in Europe was the highly respected W. Averell Harriman, another tycoon working for the government for a dollar a year. His headquarters were in Paris, with his own office a green-and-gilt room with a bust of Benjamin Franklin behind his desk. The Plan's building on the Place de la Concorde was the place to be for ambitious young planners and diplomats. Before it was over, 3,000 Americans — economists, engineers, efficiency experts — were involved. Throughout, Hoffman later declared, "Marshall never made a suggestion on how to run the show."

The show lasted four years, swallowed up in the end by U.S. military needs of the Korean War. The United States put $13 billion (the equivalent of more than $80 billion today) into the ERP. That was only $4 billion more than it had put into UNRRA in a shorter time period, but it had much bigger results. The cost to the United States was approximately 1.2 percent of the total gross national product for 1948-1951.

On average, the aid made up about 2.5 percent of the national incomes of the recipient countries over the four years. To men who had two years earlier been dealing with national economies in which 40 percent of GNP was going into making war, these were not staggering figures. It wasn't the size of the grant that mattered so much as how it was spent and the way it boosted morale.

The money came as allotments in the form of grants to the participating countries, on the basis of a formula worked out by the Europeans, with U.S. participation in the discussions. Britain got the most at $3.2 billion, followed by France at $2.7 billion, Italy $1.5 billion, West Germany $1.4 billion, and the Netherlands $1.1 billion. Thirteen other countries received much lesser amounts.

The money was largely used by European firms for the purchase of American goods. With the ERP, Congress severely limited payments to UNRRA. To take up the slack, some ERP money was used to purchase foodstuffs, but most of it was used for equipment and materials. The European participants formed the Organization for European Economic Cooperation, where they learned to work together — a forerunner of the Common Market, which was formed in 1957, and the other efforts at union that were to follow, capped by the 1991 Maastricht Treaty on European political and monetary union.

The ERP ended on Dec. 31, 1951. It had been a great success in two areas — increased production and the expansion of foreign trade — and not so successful

Continued on Page 11

"The remedy lies in breaking the vicious circle and restoring the confidence of the European people in the economic future of their own countries and of Europe as a whole." George C. Marshall

Fifty years ago, George C. Marshall launched a bold initiative. The goal: to rebuild an independent Germany and an independent Europe. His ideas have succeeded. Thanks to the Marshall Plan and its financing programs we – as the principal lending institution of Marshall Plan funds – are able, now as then, to make visions become reality. Thank you.

KfW Kreditanstalt für Wiederaufbau

U.S. National Archives and Records Administration

AFP

Powdered milk is unloaded in Greece in the winter of 1947-8. Paul Hoffman, right, pressed the idea that the Europeans had to boost their productivity.

Hard Lessons in Cooperation and 'Productivity'

By Flora Lewis

PARIS — Before the projected four years of operation were completed, it was clear that the Marshall Plan had been a brilliant success in rescuing Western Europe from the ravages and psychological despair left by World War II.

But it wasn't until much later, in some ways not until the collapse of the Soviet empire in 1989 and of the Soviet Union itself in 1991, that its vast historical impact became evident. Nobody can say how the world would have evolved without the Marshall Plan. Certainly, it would have been different.

Two things drove the builders of the new postwar world. One was a keen awareness of what went wrong after the bright hopes inspired by the victory in World War I and the peace of Versailles, in Woodrow Wilson's words "the war to end war." The other was mounting perception of the Soviet threat.

The condition which Secretary of State George C. Marshall put on America's huge recovery offer for Europe was that the European states join in calculating their needs and drawing up a plan. Ernest Bevin, foreign minister in Britain's Labour government, jumped at the opportunity and raced to Paris to get started with France. Marshall said that America's aim was to launch "a cure," not "a palliative" for Europe's distress.

The genius of the Marshall Plan was its insistence that the objective must be recovery, not just relief, and that this could only be achieved by an entirely new order of cooperation among the recipients. Stalin, the Soviet leader, saw that demand as a U.S. attempt to take over Europe's economies. Much to the relief of Western participants, he rejected the offer. He also forced all the other countries of what was becoming the Soviet bloc to refuse, though several were reluctant, thus sealing the East-West partition of Europe.

Even in the West, the early negotiations were difficult. Washington complained that it kept being given "shopping lists" from each country, instead of the integrated plans it required to ensure widespread, maximum benefits of its gifts. It is not too much to say that the United States imposed on the Europeans totally new habits and policies of cooperation, liberalizing trade, breaking national cartels, introducing technology.

The magic word for the Americans was "productivity," a new idea in European economics. It caught on with miraculous results.

The embodiment of this approach was Paul G. Hoffman, whom President Harry S. Truman named head of the new Economic Cooperation Administration (ECA) to organize the program in Washington. Hoffman was president of the Studebaker automobile company, a man of tremendous energy, self-confidence and a reputation as a supersalesman. He was easygoing in manner, mild, but utterly determined.

Hoffman recruited men from the worlds of business, labor, farming, and technical specialists to show the Europeans what he meant by cooperating to achieve production gains. He pointed out that with almost twice the population of America, Europe turned out half as many goods.

Georges Villiers, president of the French business council, caught the social and political implications of focusing on productivity. "Instead of giving over to class hatred about the division of our wealth, let us double or triple the quantity of this wealth," he said.

THE American method, driving the Europeans to consciously accept the need to work together both within the shattered structures of their own societies and among their states, was as crucial to the result as the American goods and money. It laid the foundations for what was to become the European Union. Even the plan now for a single European currency can be traced back to the insistence that exchange controls should not hamper trade and the establishment of a European Payments Union at American insistence.

Then, as now, Britain sought to hold back, arguing that national sovereignty was being infringed. Sir Stafford Cripps, chancellor of the Exchequer, almost refused to sign multilateral arrangements that the Americans felt were prerequisite to success. But by the Marshall Plan's first birthday, he said, "In one year ECA has done more for European unity than was accomplished in the preceding 500 years."

Hoffman went further. "In order to build a united Europe, you first have to build Europeans," was his byword, and he set about it in his usual practical way that could always be measured by results in production and well-being.

The total aid delivered by the Marshall Plan was $13 billion, and it was urgently needed. But the greatest benefit was the new idea of moving toward economic integration. Two years after it started, Norwegian fisherman were increasing their catch with nets woven in Italy out of U.S.-provided cotton, a tiny example of much bigger advances. The Plan's requirements paved the way for the European Coal and Steel Community, which led to the Common Market and French-German reconciliation.

The tremendous returns on America's investment in restoring European confidence later brought people to call for a Marshall Plan for Africa, for Eastern Europe, for Russia — as if it were only a matter of delivering a lot of money. It was much more than that.

It was the development, by required practice, of new ways for neighbors to work together and think of each other, based essentially on the American experience of organizing a continental economy and judging performance by results. The Marshall Plan proved it was possible.

FLORA LEWIS, an American correspondent, writes a regular column that appears in the International Herald Tribune and is distributed by The New York Times Syndicate.

By '51, Most Economies Were Moving Once Again

Continued from Page 10

in stabilizing currency or improving the standard of living. There was little progress in achieving economic integration. Still, when the ERP ended, most of the West European economies had reached a point of self-sustaining growth, in part because the ERP had helped lay the base. The resurgence of Western Europe in the 1950s followed.

Americans like to believe that the Marshall Plan was a timely, generous and extraordinarily successful act of statesmanship that forced France, Germany, Britain, Italy and the other Europeans to cooperate and in the process saved Western Europe. That stretches considerably. The United States played a role, but was not the creator of modern Europe. Most of what has been created the Europeans did for themselves. The OEEC headquarters in Paris was a home for many of the best brains on the Continent that advocated European unity. Dutch Foreign Minister Dirk Stikker served as the agency's director general, seconded by Robert Marjolin, one of Monnet's key disciples in France.

THE MARSHALL Plan was a set of ideas articulated by George Marshall but common to the Western leaders of 1947-48. They had been through two world wars, both of which started in Europe. They had learned what would not work. Marshall provided the consensus view on what should be done, gave it a name, and sold it.

In the process, he may have saved Western democracy. We can never know what would have happened if the ERP had not been implemented. The war scare of March 1948 may have been grossly exaggerated; so too the possibility of the Communists winning power at the ballot box in France and Italy. What we can know for certain is that when it came time for the United States to stand tall, to provide not only food and materials but the ideas and leadership appropriate to its responsibilities, Marshall was there.

The legacy of the Marshall Plan shows a good return on investment. The EEC, NATO, the Western bloc as a whole, the commitment to democracy and a free marketplace, the ongoing efforts at European union, all can trace their origins to the Plan.

According to the Soviets, the Marshall Plan divided Europe; the facts are the opposite. Now that they are free, the republics of the former Soviet Union, and their former satellites, have asked for — with the support of many voices in the West — not just membership in NATO but their own version of the ERP.

But when people call for a "Marshall Plan" for this or that struggling country or region, they ignore one of the most basic facts in the success of the ERP: the infrastructure was there. Real banks. Insurance companies. Skilled workers, foremen, managers. Experienced capitalists. A free press and some tradition of and practice in democracy.

The Plan was a unique response to a unique situation. On a wider view, however, the story of the ERP is inspirational. It shows what free men and women can do when they get together and form a team — and are lucky enough to have a great leader. It also shows that it takes momentous times to bring out the true greatness of a democracy. That was obvious during the war, when the democracies — with indispensable help from the Soviets — crushed the Nazis. With the Marshall Plan, what stands out today is the statesmanship exhibited by the participants. They were able to separate the common interest from narrow political or economic interests. They had learned during the war that teamwork was the *sine qua non* of survival. In 1947–48, at American urging, the French replaced their fear of a revived Germany with hope for a rebuilt Europe.

The public support that Marshall and his people rallied for the cause, and the quality of the national debate, are almost unimaginable today. That is because we don't have that kind of challenge, today, and we don't have leaders who have been through any crisis, much less one even approaching the magnitude of World War II. In democracies, challenge brings out the best, while ordinary times can bring out the worst. The smaller the issues, it seems, the greater the partisanship.

During the war, Marshall and the other architects of victory had learned the necessity of involving the public and boosting morale. They had turned back a descent into the Dark Ages. In 1947-48, faced with the possibility of a different but equally catastrophic descent, they acted, on the basis of the principles that had become second nature to them during the war. It was a great moment in Western history.

STEPHEN F. AMBROSE is the author of numerous books, including The New York Times best-seller "D-Day" and multivolume biographies of Dwight D. Eisenhower and Richard M. Nixon.

That Austria today disposes of a modern and internationally competitive industrial structure is largely attributable to support deriving from **Marshall Plan** resources. Resources from which business has benefited via the **ERP-FONDS**. This created the basis for a stable, free and independent Austria.

Thanks America!

We're there where you need us.

http://www.bankaustria.com

With custom-tailored financing, an excellent rating and the highest international recommendations – for example, the renowned magazine Euromoney has again named us "Austria's best bank" and "Austria's best securities firm". For more information call (Austria) 1-711 91/6940. Bank Austria

The Speech That Launched It All

The following is the commencement address that George C. Marshall made at Harvard University on June 5, 1947.

I NEED not tell you gentlemen that the world situation is very serious. That must be apparent to all intelligent people. I think one difficulty is that the problem is one of such enormous complexity that the very mass of facts presented to the public by press and radio make it exceedingly difficult for the man in the street to reach a clear appraisement of the situation. Furthermore, the people of this country are distant from the troubled areas of the earth and it is hard for them to comprehend the plight and consequent reactions of the long-suffering peoples, and the effect of those reactions on their governments in connection with our efforts to promote peace in the world.

In considering the requirements for the rehabilitation of Europe, the physical loss of life, the visible destruction of cities, factories, mines and railroads was correctly estimated, but it has become obvious during recent months that this visible destruction was probably less serious than the dislocation of the entire fabric of the European economy.

For the past 10 years conditions have been highly abnormal. The feverish preparation for war and the more feverish maintenance of the war effort engulfed all aspects of national economies. Machinery has fallen into disrepair or is entirely obsolete. Under the arbitrary and destructive Nazi rule, virtually every possible enterprise was geared into the German war machine. Long-standing commercial ties, private institutions, banks, insurance companies and shipping companies disappeared, through loss of capital, absorption through nationalization, or by simple destruction. In many countries, confidence in the local currency has been severely shaken. The breakdown of the business structure of Europe during the war was complete.

Recovery has been seriously retarded by the fact that two years after the close of hostilities a peace settlement with Germany and Austria has not been agreed upon. But even given a more prompt solution of these difficult problems, the rehabilitation of the economic structure of Europe quite evidently will require a much longer time and greater effort than had been foreseen.

There is a phase of this matter which is both interesting and serious. The farmer has always produced the foodstuffs to exchange with the city dweller for the other necessities of life. This division of labor is the basis of modern civilization. At the present time, it is threatened with breakdown.

The town and city industries are not producing adequate goods to exchange with the food-producing farmer. Raw materials and fuel are in short supply. Machinery is lacking or worn out. The farmer or the peasant cannot find the goods for sale which he desires to purchase. So the sale of his farm produce for money which he cannot use seems to him an unprofitable transaction. He, therefore, has withdrawn many fields from crop cultivation and is using them for grazing. He feeds more grain to stock and finds for himself and his family an ample supply of food, however short he may be on clothing and the other ordinary gadgets of civilization.

Meanwhile people in the cities are short of food and fuel. So the governments are forced to use their foreign money and credits to procure these necessities abroad. This process exhausts funds which are urgently needed for reconstruction.

Thus a very serious situation is rapidly developing which bodes no good for the world. The modern system of the division of labor upon which the exchange of products is based is in danger of breaking down.

The truth of the matter is that Europe's requirements for the next three or four years of foreign food and other essential products — principally from America — are so much greater than her present ability to pay that she must have substantial additional help or face economic, social and political deterioration of a very grave character.

The remedy lies in breaking the vicious circle and restoring the confidence of the European people in the economic future of their own countries and of Europe as a whole. The manufacturer and the farmer throughout wide areas must be able and willing to exchange their product for currencies the continuing value of which is not open to question.

Aside from the demoralizing effect on the world at large and the possibilities of disturbances arising as a result of the desperation of the people concerned, the consequences to the economy of the United States should be apparent to all.

It is logical that the United States should do whatever it is able to do to assist in the return of normal economic health in the world, without which there can be no political stability and no assured peace. Our policy is directed not against any country or doctrine but against hunger, poverty, desperation and chaos. Its purpose should be the revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist.

Such assistance, I am convinced, must not be on a piecemeal basis as various crises develop. Any assistance that this government may render in the future should provide a cure rather than a mere palliative. Any government that is willing to assist in the task of recovery will find full cooperation, I am sure, on the part of the U.S. government. Any government which maneuvers to block the recovery of other countries cannot expect help from us.

FURTHERMORE, governments, political parties, or groups which seek to perpetuate human misery in order to profit therefrom politically or otherwise will encounter the opposition of the United States.

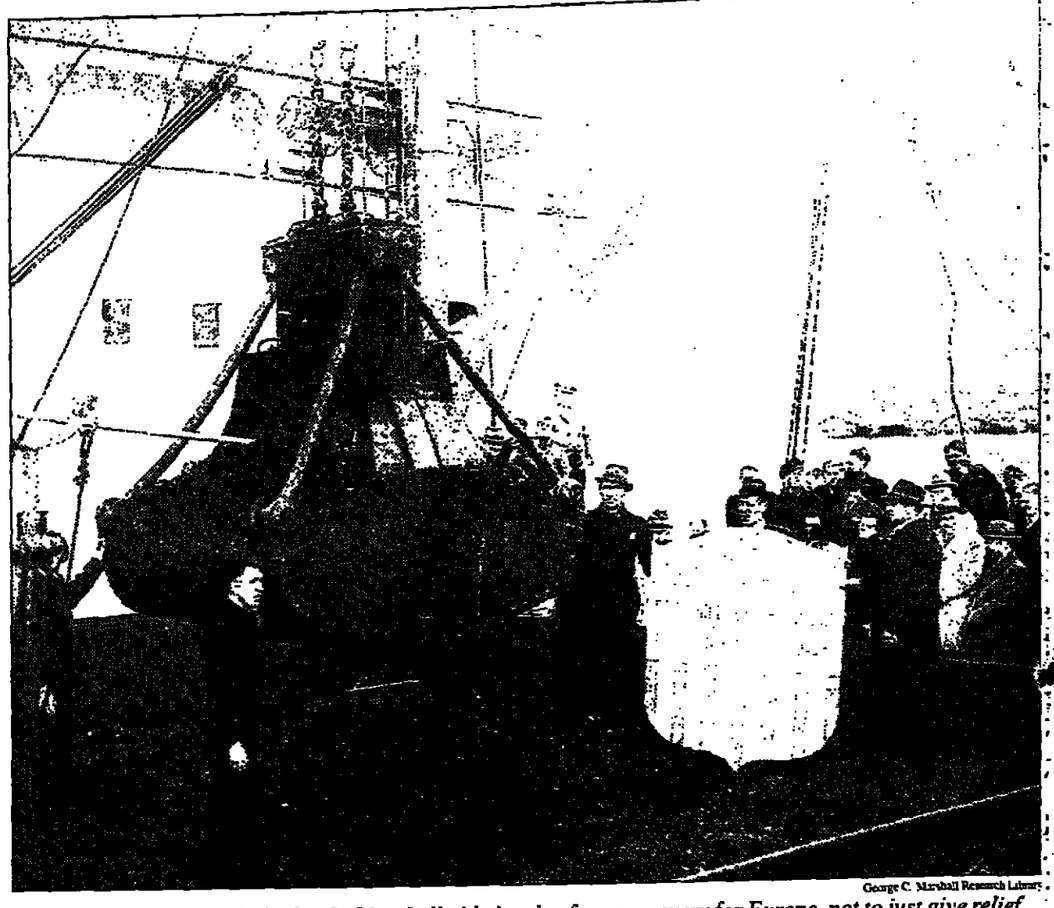
It is already evident that, before the U.S. government can proceed much further in its efforts to alleviate the situation and help start the European world on its way to recovery, there must be some agreement among the countries of Europe as to the requirements of the situation and the part those countries themselves will take in order to give proper effect to whatever action might be undertaken by this government.

It would be neither fitting nor efficacious for this government to undertake to draw up unilaterally a program designed to place Europe on its feet economically.

This is the business of the Europeans. The initiative, I think, must come from Europe.

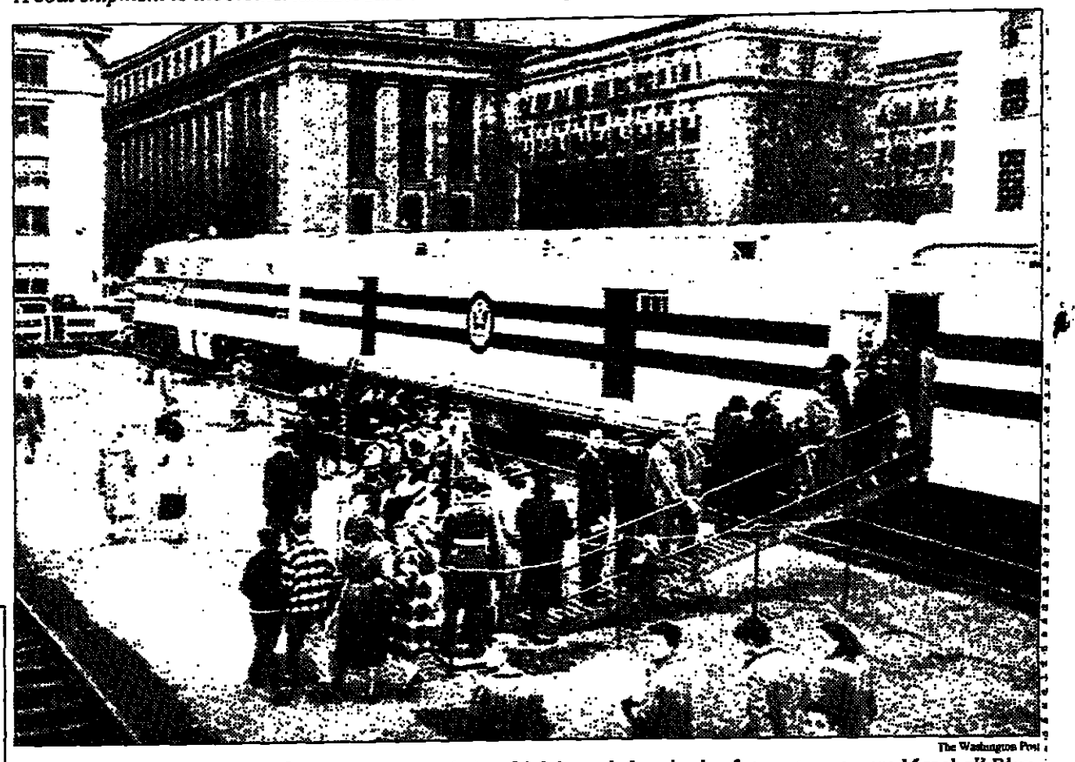
The role of this country should consist of friendly aid in the drafting of a European program and of later support of such a program so far as it may be practical for us to do so. The program should be a joint one, agreed to by a number, if not all, European nations.

An essential part of any successful action on the part of the United States is an understanding on the part of the people of America of the character of the problem and the remedies to be applied. Political passion and prejudice should have no part. With foresight, and a willingness on the part of our people to face up to the vast responsibility which history has clearly placed upon our country, the difficulties I have outlined can and will be overcome.



George C. Marshall Research Library

A coal shipment to the Netherlands. Marshall aid aimed to foster recovery for Europe, not to just give relief.



The Washington Post

U.S. Freedom Train on a 1948 coast-to-coast trip in which it made hundreds of stops to promote Marshall Plan.

National Sensibilities vs. U.S. Goals

Critics Accused Washington of Trying to Meddle in Domestic Affairs

By Barry James

LONDON — While Washington saw the Marshall Plan as a package for Europe, the assorted European recipients invariably sought to tailor their participation to fit their own national circumstances — and to parry critics complaining that U.S. aid had too many strings attached.

The Economic Coordination Administration, the plan's European headquarters, mixed deftness in pressing U.S. ideas with realism about how far governments could be pushed and ultimately was pragmatic in accommodating European sensibilities.

As a result, the program fell short of its loftiest goals but nonetheless succeeded in providing what one official called a "psychological blood transfusion" that reinvigorated Europeans and enabled governments to concentrate on investment and exports, with only limited satisfaction of consumer demand.

Without the built-in peer pressure for countries to stay with the program or jeopardize Europe's aid, things could have worked out differently because of the European countries' divergent priorities. For example:

- Britain, the largest recipient, remained aloof from the European integration that the aid implied, clinging to its empire and its sterling zone.
- France used the aid to boost an ambitious postwar modernization program, but U.S. demands frequently clashed with the reawakening great power pretensions of the French. "We need the United States," Foreign Minister Georges Bidault told the National Assembly, "in order to do without it."
- Italy, emerging from a long period of Fascist rule with the largest Communist Party in the West and the lowest per capita food levels in Europe, seized the opportunity to use Marshall funds to feed itself. Despite grumbling by U.S. officials, the ruling Christian Democratic Party emerged as a strong U.S. ally.
- The Scandinavian nations worried about Moscow's reactions if they edged out of neutrality in taking Marshall aid (Finland abjured aid altogether), but in the end they joined ERP because they needed access to European markets.
- Belgium, the Netherlands and Luxembourg came as a Benelux bloc in an embryonic example of European union.
- Germany, the political heart of the Marshall Plan even though it was never acknowledged publicly, was in many ways the easiest place to administer the aid because it flowed into the three Western-occupied zones, which were soon to become West Germany but even then remained pliable to directions from Washington.

Generally speaking, however, the Marshall Plan often amounted to "essentially a group of Western European nations harnessed unhappily together by American authority," according to David W. Ellwood, a recent historian of the program. But Washington, by making it clear that it would deal with the group only as a bloc, created powerful peer pressure by making the Plan conditional on its acceptance by all.

The aid was delivered in the form of dollars to central banks, which handed them on to businesses needing to buy goods from America — thus closing the "dollar gap" that threatened to paralyze trade between Europe and the United States. In return, recipient countries had to match the grants in their own national currencies as "counterpart funds," which were used under U.S. control — 5 percent for direct U.S. use (mostly to buy strategic materials) and 95 percent for domestic projects approved by Washington.

> *'Britain has never before been in a position where her national security and economic fate are so completely dependent on and at the mercy of another country's decisions.'* Lewis W. Douglas, U.S. ambassador to Britain, 1948

It was a tool for influencing domestic priorities — "enforcing sound economic practice, as the Americans saw it; tying our hands, as many Europeans saw it," writes the American historian Richard J. Barnet in his book, "Allies."

To a degree, the contradiction was inherent in the U.S. approach. Washington demanded free trade, abandonment of colonial preferences, convertible currencies and yet wanted European unity, which in many ways needed to start as a regional trade bloc.

Critics saw larger, cruder threats in the Plan, which Communists in France and Italy, ousted from the ministerial posts that they had held in the first postwar cabinets, called an offensive by capitalism and U.S. imperialism.

Intellectuals railed against the degree of American interference that the aid entailed. French officials groused that they had to import cultural contamination such as American cigarettes, chewing gum and Hollywood movies in exchange for allowing the United States access to strategic raw materials in France's colonies.

Because the aid was indirect, the public often did not fully perceive its benefits, especially since governments were prone to blame U.S. conditions for painful austerity measures to fight inflation and balance national budgets.

In 1948, the staunchly Anglophile U.S. ambassador to Britain, Lewis W. Douglas, reported that anti-Americanism bordered on "the pathological." In 1950, a Gallup poll in Paris showed that 40 percent of the population felt that the aid was an affront to French sovereignty.

In the end, everyone had to compromise, including the Americans, who occasionally let their own national interests and feelings show. Hard-headed humanitarianism meant that Washington exacted a price wherever it was politically essential.

For example, Ireland, because of its wartime Nazi sympathies, got no grants, only loans for rural electrification. About six percent of Marshall funds went to colonies of the European nations to prevent them from becoming Communist playgrounds, but only in exchange for U.S. access to their raw materials.

Washington was careful to keep aid levels higher to wartime Allies, France and Britain, than to Italy and West Germany, the former Axis powers, which were the next largest recipients.

And the Allies got special latitude, too. France, for example, ultimately accepted the Marshall Plan's insistence on integrating Germany into the West and, in return, Washington, despite its free-market preference, let the aid underpin the Monnet Plan for centralizing planning in France.

Britain was the biggest beneficiary in the amount of aid it received, a position reflecting the Anglophile attitudes of the policy-making elite in Washington in those days. But it was not enough to save the sterling area that many in London had hoped to preserve.

BARRY JAMES is on the staff of the International Herald Tribune.

„The remedy lies in restoring the confidence of the European people in the economic futures of their own countries and of Europe as a whole."

George C. Marshall
Cambridge, Massachusetts
June 5, 1947

Deutsche Bank

Taunusanlage 12, D-60325 Frankfurt am Main, Telefon +49 69 910-0

For Amer
PX Privil
Fast Track to Cub
T
SIEMENS

For Americans in Paris, PX Privileges Galore

Fast Track to Cuban Cigars and Dutch Cheeses

By Art Buchwald

THE MARSHALL Plan was and still is the best idea the United States ever had. It made the Russians cry uncle and won the hearts and minds of Western Europe.

How it was created is a miracle. On top were Marshall, Averill Harriman, David Bruce, Milton Katz and many other successful diplomats and businessmen. They were the Generals.

But it was started so fast that there was a shortage of American foot soldiers — people to open the mail, guard the gates and shred the top secret papers.

Buchwald

The personnel people began to raid Paris's Left Bank, hiring American students and ragged expatriates. The selling point was not the salaries but PX privileges for Marshall Plan employees, which gave them an opportunity to buy American whiskey and corn flakes at very deflated rates.

In 1948, I was living in Montparnasse in the Hotel des Etats-Unis which was a Polish cooperative. The place was filled with ex-GIs who slept all day and stayed up all night. They claimed to be writing books and translating Camus and painting great pictures.

When the Marshall Plan was formed, the word was out that they were hiring Americans. A goodly portion of my buddies went down and sewed up menial jobs as messenger boys and file clerks.

Lo and behold, six months later the Marshall Plan expanded at such a rate that everyone in the mail room wound up as directors of the coal and industry commission for the Benelux countries and U.S. advisers for the production of Italian pasta. They worked out of large offices in the Hotel Talleyrand and smoked Cuban cigars and tasted Dutch cheeses to see if they were up to snuff.

I couldn't get a job with the Marshall Plan but my friend George Anderson got one as a mimeograph operator and wound up printing all the money in France.

What made the Marshall Plan miraculous was that it was for the most part corruption free, which was a unique situation in Europe.

As a matter of fact, as time went on the Europeans became more and more nervous because no Americans came around demanding a payoff for the money we gave them.

My friend James Nolan was then advertising manager of the Herald Tribune. He kept examining the Marshall Plan to see if there was some way the Trib could take advantage of its existence. Then he came up with an idea. He went to the Italians and said "Why don't you take out a supplement in the Tribune telling everyone in Europe how Italy was becoming prosperous and its industry thriving."

The Italians were thrilled and said "Aha, finally the payoff." They bought the space and were very happy someone in America was finally being paid off.

When this worked, Nolan went to France, then Greece and then Denmark. The paper was alive with supplements, the Marshall Plan countries were happy to give back something to the Americans, and the Trib readers were treated to exciting reading about Europe's healthy economy.

The reason we don't ever hear about the Marshall Plan is that it worked. America likes to brag about its failures.

The Marshall Plan was one of its great successes. Proof is: because of it everyone is doing well, the Soviet Union is belly up and having access to an American PX is not the big deal it was 45 years ago.

ART BUCHWALD began writing for the Herald Tribune in Paris in 1949. He left the staff in 1962, but his syndicated column appears regularly in the IHT.

Keystone

Demonstrators march against Marshall aid in Paris in September 1948. Communist pressure against U.S. policy was especially strong in France.

The Age of Cold Warriors (and Dirty Tricks) Is Born

By Joseph Fitchett

PARIS —The same era of postwar crisis that inspired the Marshall Plan also gave birth to the Central Intelligence Agency. Insiders saw them practically as two sides of the same coin with which to assist allies and block Soviet power.

Though the Marshall Plan was to be seen as the flagship of a bright new foreign policy of America's international involvement, both the foreign aid plan and the formation of the CIA were means of defending U.S. interests by aiding allies.

Major innovations both, the Plan and the agency — the nation's first operational peacetime intelligence service — were set almost simultaneously as a dual response to faltering political will and Soviet-backed subversion.

As 1947 unfolded, an almost monthly drumbeat of world events seemed to the West to indicate gaping opportunities for Soviet gains in Europe and Asia.

Washington responded to the mounting sense of global threat with radical decisions to provide aid and a covert action agency to do the undercover work. Secretary of State George C. Marshall approved, with the single reservation that the agency be situated outside the State Department so that U.S. diplomats could plausibly deny any knowledge of covert activities.

From the outset, the two organizations were so tightly intertwined, and their mindsets so similar, that they often shared objectives, funds and people. An early episode occurred in France, where Communist-led unions were braced to dump Marshall Plan cargoes into harbors. As the first freighters headed for France, the docks in Marseilles and Bordeaux were cleared by strong-arm squads of anti-Communist dockworkers organized for street fighting by U.S. labor officials and intelligence agents.

More routinely, the covert U.S. program systematically subsidized anti-Communist politicians — usually left-of-center social democrats — to undercut the Communists. Hidden budgets also financed pro-American propaganda disguised as independent foreign publications and broadcasts.

The subterfuge was part of a campaign of psychological warfare masterminded by George F. Kennan, who was also the main conceptual godfather of the Marshall Plan. Both were what Kennan called "measures short of war," with the decided advantage of costing money to prevent bloodshed.

But covert action was not cheap. Unlike aid, it was not visibly fundable, so the campaign was largely financed by the Marshall Plan itself. According to recently declassified CIA documents, the reconstruction program passed the agency five percent of the counterpart funds it obtained from European countries in their local currencies — a secret budget of roughly $200 million a year, a huge war chest for the period.

Depending on the country, the role of the agency varied. It practically ran the show in Greece, which had only been added to the Marshall Plan belatedly at the entreaty of U.S. intelligence officials. They argued that the country was vital for Western access to oil and to air bases in the Middle East from which bombers could reach Soviet targets.

Retired CIA officials have disclosed that the Plan's representative in Athens was subordinated on State Department orders to another U.S. office handling intelligence and paramilitary activities to help the conservative government defeat a Communist-led insurgency. This office was headed by Dwight P. Griswold, a former Nebraska governor.

U.S. officials based the postwar era on three founding acts: the Bretton Woods agreement on monetary stability, the Marshall Plan for industrial vitality and NATO for military security.

Diane B. Kunz, "Butter and Guns, America's Cold War Economic Diplomacy"

This mixture of methods seemed natural to the foreign policy establishment of the times. Certainly, it did not shock privately funded philanthropic foundations such as the Rockefeller and Ford foundations. Like Marshall's people, they believed in social engineering to promote stability and economic modernization, and had few qualms about covert action to prevent Soviet agents from sabotaging the Marshall Plan.

Indeed, in 1947 events seemed frustratingly uncontrollable to Washington as opportunities appeared for Soviet advances of global proportions.

- Communists came to power in Poland in January and in Hungary in May. In France and Italy, governments seemed to totter as food riots prompted Communist calls for general strikes.
- In July, the British empire shattered with India's independence. A storm was gathering in Palestine as Arabs fought the imminent creation of Israel.
- In Asia, U.S.-occupied southern Korea was riddled with unrest, partly fomented by Soviet-backed northern Korea, so Washington handed over the problem in July to the United Nations. China was too big to relinquish: Marshall decided in October to step up military aid to Chiang Kai-shek because of fears that Chinese Communists would conquer Manchuria and link up with Russia, forming a military-industrial block similar to the Japanese position in East Asia in World War II.
- Japan. Kennan warned, could succumb to Soviet influence unless Washington delayed a peace treaty, stopped dismantling cartels and restored Japanese exports. (The formula strongly resembled Marshall Plan priorities for Germany: reunification was less urgent than restoration of Ruhr basin coal production to fuel European recovery.)

Seeking better levers of power in Washington, the National Security Act centralized foreign operations: the intelligence agency process in a National Security Council, intelligence activities in the CIA and the armed services in a Secretary of Defense. The bill passed in July 1947.

In September, Moscow set up the Communist Information Bureau to direct Communist actions in all countries. U.S. officials saw the Cominform as a conspiratorial front organization aimed at disrupting the Marshall Plan.

The task of foiling the Soviets was assigned to a new U.S. agency, technically part of the CIA but in practice a semi-independent outfit with the cover name Office of Project Coordination. It was energetically led by Frank G. Wisner, a former lawyer who had been stunned by the Soviet crackdown he saw first-hand in wartime Romania.

OPC soon fielded several hundred agents, partly funded in Europe by the Marshall Plan. It is unclear how much Paul G. Hoffman, the head of the European Recovery Program, knew about his aid program's ties to the intelligence work — and how much the Plan owed success to the undercover agents.

But Wisner worked closely with Hoffman's top deputy, Richard Bissell. (Bissell was later to join and help run the CIA, earning praise and blame for the U-2 spy plane and the Cuban invasion in 1961.)

The shared convictions of these men were articulated by Kennan in December 1947 in a lecture to the National War College. Pro-Soviet Communists, he explained, had won a "strong position in Europe, so immensely superior to our own . . . through unabashed and skillful use of lies. They have fought us with unreality, with irrationalism."

"Can we combat this unreality successfully with rationalism, with the truth, with honest, well-meant economic assistance?" Kennan asked, answering his own question with a plea for new government missions — code for covert action to thwart Soviet subversion and widen popular support for democracy.

Dirty tricks were in. At OPC, Wisner, with partial funding from the Marshall Plan, developed a propaganda campaign that planted material in scores of European radio stations.

The agency poured money into the 1948 Italian elections, and the Christian Democrats came to power for 40 years.

No front was more crucial than organized labor as U.S. trade unionists sought to convince Europeans that Soviet-style Marxism was not a workers' paradise but a gulag. The American Federation of Labor's redoubtable European representative, Irving Brown — the man who broke the strikes on the Marseilles docks — drove a wedge into the Communist-dominated labor movement by convincing (and helping finance) a dissident minority to set up Force Ouvriere, an anti-Communist independent union.

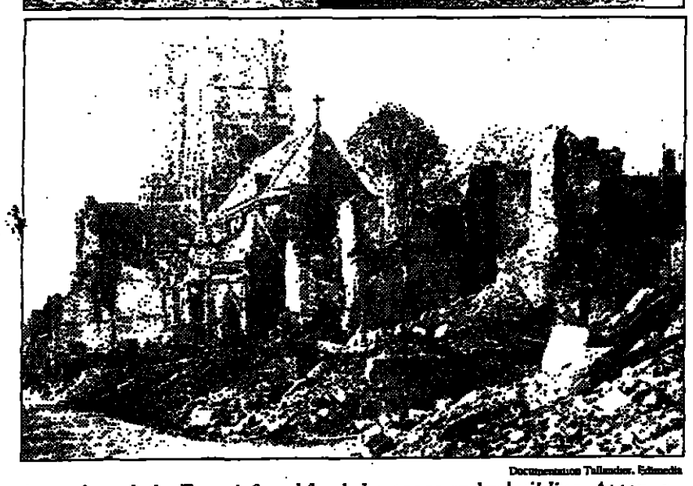
Brown was contagiously persuasive in arguing that free trade unions were the key to workers' interests — and democracy. His convictions made him an uncomfortable ally for some cold warriors: France banned him several times because of his support for Algerian independence.

Brown cultivated everyone who was anti-Communist. Escorting Gary Cooper through the Communist-controlled slums around Paris, he learned how to bar Communist unions from Hollywood movies shot in Italy.

Brown was an eminence grise for Washington during a 40-year career overseas. In 1981, when he was funneling underground aid to Solidarity despite martial law in Poland, I asked him in an interview whether he worried that his activities might jeopardize East-West détente. Brown growled: "I've been fighting fascism all my life. We started against the Nazis and we'll finish the job in Moscow."

Brown, who died in 1985, credited the Marshall Plan with giving the United States an exceptional capital of good will to spend in the Cold War.

JOSEPH FITCHETT is on the staff of the International Herald Tribune.



Documentation Tallandier, Edimedia

At war's end, the French faced food shortages and rebuilding. At top, a Parisian bread line; at bottom, Caen cathedral surrounded by rubble.

SIEMENS

In 1947, George C. Marshall launched his visionary plan to help European countries recover from World War II. Fifty years later, we wish to express our gratitude for this remarkable plan which helped European people and companies to recover from the ravages of the war.

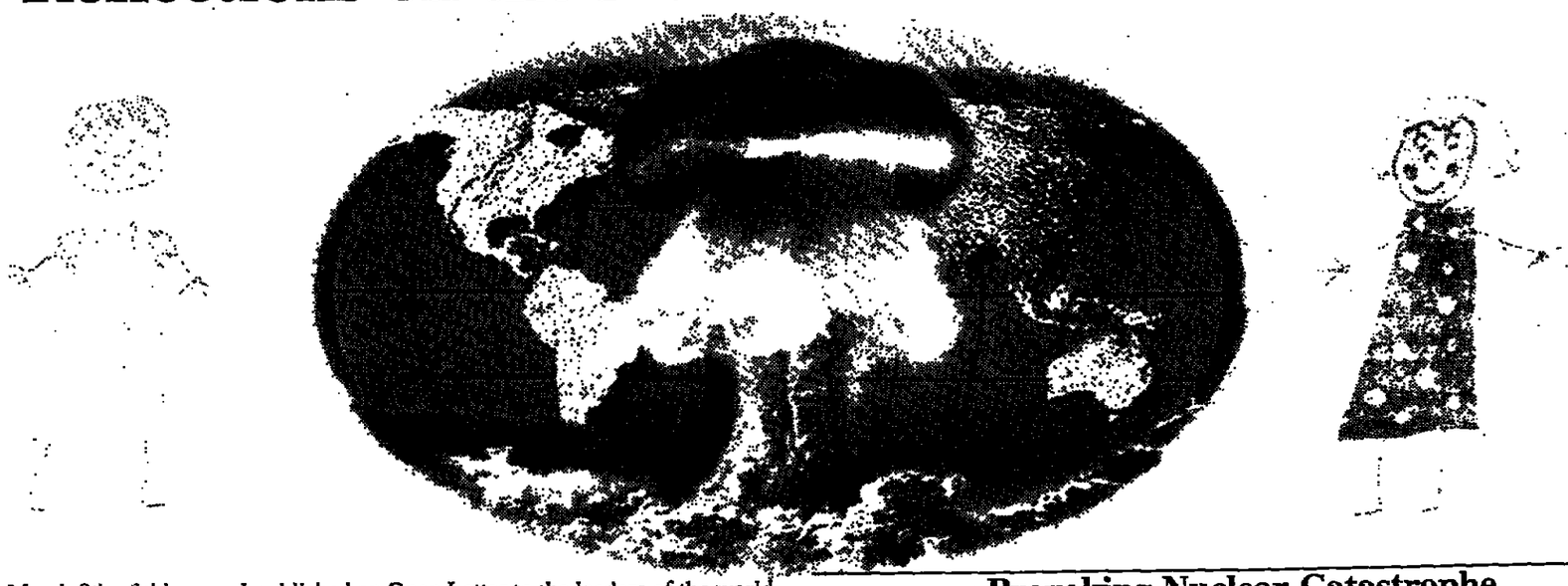
Today, some 380,000 employees of Siemens provide solutions in the electrical and electronics fields to customers in 189 countries.

Thank you, George C. Marshall.

http://www.siemens.de

What will the Children Ask?

Reflections on the Marshall Plan and our Future



On March 9th of this year, I published an Open Letter to the leaders of the world in *The New York Times*; and ten days later, it appeared in the *International Herald Tribune*. My message emphasized that there are tens of thousands of nuclear weapons poised in silos throughout Russia and the adjacent republics of Belarus, Kazakhstan and Ukraine. I appealed to world leaders to act decisively and to prevent the chilling possibility that even one of these weapons would find their way into the hands of a despot. This anniversary of the Marshall Plan is an ideal opportunity to amplify my earlier message: to avert the catastrophe of nuclear crime, we must bring Russia and the surrounding republics into the fold of stable democratic nations. ***Moreover, without substantial further aid and investment from the world's most developed economies, that stability will be nearly impossible to obtain.***

After reading my Open Letter in March, my granddaughter Stacey, came into my study with her eight-month-old son poised on her arm. He was napping peacefully, but Stacey looked pensive. She asked me,

"What kind of world, Grandfather can my child expect to grow up in?"

What world, indeed? Such are the questions of today...and those yet to come. I often think about the questions our great-grandchildren will ask in Web-site college classrooms decades from now. I'm frightened when I imagine what some of those questions might be, but I think it's far better to pose those questions today and reflect on them...and not compel our grandchildren to ask them when the tragic answers are part of unchangeable history:

- "You mean world leaders couldn't see that the intelligentsia of Russia's enormous military and scientific establishment were cut loose from jobs and opportunities and that a critical few would sell skills and materials to the highest bidder?"
- "You're telling us that no one foresaw that the East Bloc nuclear arsenal offered exactly the weapons that terrorist groups and rogue nations wanted desperately to command?"
- "You're asking us to believe that a large piece of the world became a contaminated, radioactive cinder because we weren't smart enough to fund a transition to post-Cold War peace?"

Russia, Risk, and Reality

As we celebrate the fiftieth anniversary of the Marshall Plan, we would do well to look back and ask ourselves: Why and how did the Marshall Plan work? The Marshall Plan should be a model that occurs to us whenever dramatic changes and transitions occur. It is a model that may have even greater bearing on the 1990s than it did in the 1940s.

In his watershed work entitled *Diplomacy*, Henry Kissinger offers these insights about the Marshall Plan:

- Secretary Marshall began by dispassionately analyzing "the relationship between the proposed aid program and American interests" in a key Oval Office session with Congressional leaders.
- "...Secretary Marshall, in a commencement address at Harvard...committed America to the task of eradicating the social and economic conditions that tempted aggression. America would aid European recovery, announced Marshall, to avoid 'political disturbances' and 'desperation,' to restore the world economy, and to nurture free institutions."
- "The Atlantic Alliance served as a military bulwark against Soviet expansion, while the Marshall Plan strengthened Western Europe economically and socially."

Several themes that I draw from Dr. Kissinger's comments deserve special emphasis: George Marshall could project a *dispassionate* understanding of how helping Europe bolstered *American interests*, and adverse *social and economic conditions* have real power to *tempt aggression*.

As experts have pointed out, American support for the integrated economic recovery of Western Europe, including Germany, created the foundation for a Common Market. Without that Market, the peace that World War II achieved could never have been sustained. The Marshall Plan's monumental role in changing world history was not a function of its goodwill or its humanity, but of clear and objective reasoning about what constitutes the threats on our horizon.

For several years, I have advocated replicating the Marshall Plan in our time for Russia and other successor republics to the Soviet Union. Western public opinion has concluded — and falsely, I might add — that the principal threat to Western and American interests has vanished. It has not. Rather, the threat has become stealthily shifting both the components and the finished weapons of colossal destructive power into the marketplace of terrorism and rogue nations.

Provoking Nuclear Catastrophe

If we don't actively address the social and economic conditions that tempt aggressions, we expose our vital interests to extreme risk. There may be as many as 40,000 Russian nuclear warheads yet to be deactivated. Graham T. Allison and his colleagues warn in the penetrating study *Avoiding Nuclear Anarchy*. "The single most important truth about the post-Cold War security environment is that Russia is convulsed by a genuine, ongoing revolution...But about the current revolution, there is one difference without precedent in human experience. Never before has a superpower arsenal of nuclear weapons and fissile material existed in the midst of an ongoing (and unavoidably turbulent) revolution...*the risk of nuclear detonation on American soil has increased.*"

Brian Eads, in a memorable *Reader's Digest* (April, 1997) article titled "A Shopping Mall for Nuclear Blackmailers," cites a multitude of frightening examples. I quote just two of them below:

- "According to U.S. Senate testimony, retired Russian naval captain Alexei Tikhomirov slipped through an unguarded gate at a nuclear-fuel storage facility near Murmansk in 1993. He sawed a padlock off a door, then pried it open with a metal bar. Inside he broke off ten pounds of uranium from three submarine fuel-assemblies, stuffed the material into a bag and calmly retraced his steps. Eight months later police caught him by chance as he tried to sell the stolen uranium. (Asking price: $50,000.) The military prosecutor remarked that 'potatoes were guarded better than naval fuel.'"
- "According to...Graham Allison, more nuclear material has been stolen from the former Soviet Union since the fall of the Berlin Wall than the United States produced in the first three years of the Manhattan Project — and that's counting only the known incidents."

Project Sapphire* and other security control programs are important steps, just as the founding of NATO was a crucial adjunct to the Marshall Plan. But, control is not enough. As both Graham Allison and Brian Eads advocate, buying Russian HEU (heavily enriched uranium) at a faster pace and transforming it to civilian use is a wise step. But, in my view, they still fall short of a different need. And, that's where a Marshall Plan for Russia enters the picture.

Fifty years ago, the Marshall Plan objectively created stability and curtailed the threat of aggression in post-War Europe. Isn't the stimulus of a Marshall Plan for economic development in Russia — a plan that truly harnesses and redirects the powerhouse of Russian technology — equally fundamental in our time?

George Marshall may have been a distinguished humanitarian. In my opinion, he made a greater contribution to humanity because he was something more; a dedicated pragmatist who recognized and addressed threats in a realistic way. Have we forgotten the real wisdom of this soldier-statesman from Uniontown, Pennsylvania? Do we dare to forget it now?

*U.S. Project Sapphire, successfully moved tons of fissionable materials, including enough weapon-grade material to build some two dozen nuclear bombs, from Kazakhstan to a plant in the U.S. for conversion into commercial fuel.

What can you readers do?

Plenty!!! Your participation can have tremendous impact. Do you sense the same ominous scenario that I do? Then send E-mail to President Clinton, Congress, President Boris Yeltsin and the Duma. Send your letters and faxes to Prime Ministers Hashimoto and Blair, to the Assembly in Paris and the Parliament in Ottawa...and to any other forces in the G-7 Nations who can advance this proposal. This message is addressed to **YOU** —

"We cannot, we must not, let this moment pass, for an incinerated earth and a cremated humanity have no further needs." *Alfred J. Roach.*

Alfred J. Roach is an industrialist/financier/entrepreneur who has specialized in the establishment and development of successful new companies and technologies for over 40 years.

He serves as Chairman of the Board of TII Industries, Inc., a Company which he founded in 1964, involved in the manufacture of advanced technology equipment for use in the fibre optics/telephone/telecommunications industries.

Thirteen years ago, Mr. Roach conceived the idea and established American Biogenetic Sciences, Inc., in which he serves as Chairman of the Board. This global biopharmaceutical and diagnostic company is involved in the fields of cardiovascular disease and neurobiology.

He has been honored for his pioneering work in uniting the world's scientific community in his unique "Global Scientific Network." Among the honors bestowed on him are Fellowships to the World Academy of Art and Sciences and Washington Academy of Sciences. He is an Academician of the Russian Academy of Sciences and is a member of the New York Academy of Sciences.

This message was paid for personally by Mr. Alfred J. Roach. It may be reproduced without permission in its entirety.

Visit our Internet site at: www.people-of-the-world.org for previous articles.
For more information write to: 801 Albany Street, Boston, MA 02118

IF YOU AGREE WITH THIS MESSAGE YOU ARE FREE TO PUBLISH OR SEND A COPY TO A FRIEND, GOVERNMENT OR BUSINESS LEADER.

After 261 moves I'm looking for a more permanent position.

Deep Blue seeks long-term position in commercial or technical field. This RS/6000 SP™ supercomputing superstar is adept at using parallel technology to tackle data mining, financial modeling, molecular dynamics and other complex business problems. Experience includes competing against world champion chess Grandmaster. Highly skilled in all areas of e-business. Excels at managing mega-sized Web sites. Willing to relocate. Visit www.rs6000.ibm.com for references.

IBM

Solutions for a small planet

IBM is a registered trademark and RS/6000 SP and Solutions for a small planet are trademarks of International Business Machines Corporation in the United States and/or other countries. © 1997 IBM Corporation.

Mubarak and Netanyahu Agree That Peace Needs More Effort With PLO

Reuters

SHARM EL SHEIKH, Egypt — Egypt and Israel said after a meeting of their leaders Tuesday that they needed more time and consultations with the Palestinians to restart peace talks.

"We need another meeting and we need more deliberation," President Hosni Mubarak of Egypt said after three hours of talks with Prime Minister Benjamin Netanyahu of Israel at the Red Sea resort of Sharm el Sheikh.

"We discussed ways to put the peace process between us and the Palestinians back on track," Mr. Netanyahu said. "This was a positive beginning, but we need to do more work."

Mr. Mubarak said he would invite Yasser Arafat, the Palestinian leader, to a future three-way meeting.

Mr. Netanyahu refused to confirm or deny reports in the Israeli news media that he was offering to compromise on a housing project for Jews in predominantly Arab East Jerusalem that has angered Palestinians and initially led to the deadlock in the peace talks.

The Yedioth Ahronoth daily newspaper reported that Mr. Netanyahu would propose that Israel complete the infrastructure of the housing complex for Jews before halting construction and starting a parallel housing project for Arabs.

After laying the infrastructure for the Arab housing, Israel would continue construction simultaneously for both populations, the newspaper added.

Although Mr. Arafat has said that only a halt of construction would lead to resumption of talks, Mr. Netanyahu has refused to stop building.

■ Palestinians Accused on Rights

A Palestinian human-rights monitor has accused the Palestinian security forces of extensive abuse and torture of its prisoners, The New York Times reported from Jerusalem.

Bassem Eid, head of the Palestinian Human Rights Monitor, presented a report citing 42 cases in which Palestinian prisoners reported being beaten, whipped, held in painful or cramped conditions and otherwise abused by the various security services of the Palestinian Authority. Mr. Eid charged that two prisoners were beaten to death in detention.

"It is urgent to combat the indefensible practices of beating, whipping, tying up, burning and worse of Palestinians by other Palestinians," Mr. Eid said Monday.

He explained that all the cases he studied began with beatings and that 26 involved beatings with weapons or batons. A large number of detainees also reported being subjected to *shabeh*, a method commonly used by Israeli interrogators, which involves tying the prisoner for long stretches in an excruciatingly painful position. Most of the other complaints involved whipping, usually with a cable.

Neither Mr. Eid, nor Irwin Cotler, a Canadian law professor who helped prepare the report, alleged that the torture was systematic or officially condoned, and many of the abuses cited in the report appeared to be the local initiative of badly controlled security forces. Mr. Eid also noted that the frequency of torture declined over the two years covered by the study.

"The Palestinian Authority is not set in its ways, it goes back and forth, reflecting indecision in regard to human rights," Mr. Eid said. "The problem is a lack of control over the security forces."

He added, however, that he was convinced that Mr. Arafat knew "what is going on."

"We are putting the responsibility on Mr. Arafat," he said, noting that his organization and families of detainees sent many letters to the Palestinian leader detailing their charges.

In response to the report, the Palestinian attorney general, Khaled Qidra, said: "Our laws forbid totally any kind of torture.

"It is not, as the report said, usual treatment in our Palestinian Authority. It is not our habit, put perhaps a few" abuses "happen here and there."

Resist Kabila, Opposition Group Urges

The Associated Press

KINSHASA, Congo — An opposition group on Tuesday urged citizens of the newly renamed Congo to mobilize against President Laurent Kabila, saying he was no better than the dictator he deposed.

The youth movement of the Democratic Union for Social Progress said it would go ahead with a march Wednesday along the potholed roads of Kinshasa despite the new government's ban on all political activity.

"They claim to be liberators, but it is as if they have taken us from one prison cell to another prison cell," said Raymond Kahungu Mbemba, national secretary of the youth movement, at a press conference. "We cannot accept that."

In an announcement read on state radio and television Monday, the ruling Alliance of Democratic Forces for the Liberation of Congo repeated earlier bans on public meetings and protests.

Mr. Kabila banned political parties outright in some other parts of Congo during his seven-month sweep across the country, which culminated in his declaring himself president on May 17.

"Any violators will be considered enemies of the liberation of the Congolese people and will be punished to the fullest extent of the law," the radio announcement said.

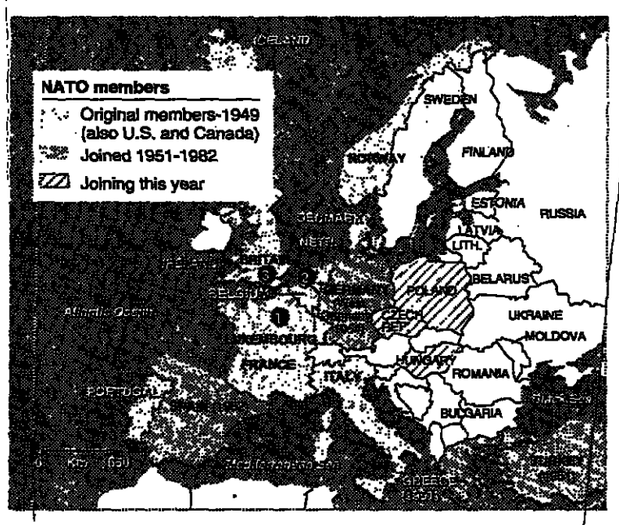
The government did not say how long the ban would last or go into details about what it entails. But because most opposition groups are based in Kinshasa, the restrictions effectively bar political parties from organizing or meeting anywhere in the country.

The move is reminiscent of those imposed by Mobutu Sese Seko, the dictator Mr. Kabila overthrew, and is likely to anger Western nations that had pressed him to introduce democracy.

The radio broadcast Monday also repeated earlier bans on public meetings and protest, and called on people holding unregistered weapons to surrender them immediately.

Alexander Natruskin/Reuters

Presidents Clinton, Yeltsin and Chirac, along with Mr. Solana, the NATO chief, signaling the partnership they hope will be born of the charter. Left to right at rear are Prime Ministers Tony Blair of Britain, Costas Simitis of Greece, Jose Maria Aznar of Spain, Jean-Claude Juncker of Luxembourg and Wim Kok of the Netherlands.



A NATO Primer

	ACTIVE ARMED FORCES	1996 DEFENSE SPENDING U.S. dollars, in millions
Belgium	46,300	$ 3,230
Britain	226,000	32,462
Canada	70,500	7,733
Denmark	32,900	3,113
France	398,900	38,454
Germany	358,400	31,945
Greece	168,300	3,462
Iceland	NONE	
Italy	325,150	19,951
Luxembourg	800	121
Netherlands	63,100	8,076
Norway	30,000	3,711
Portugal	54,200	1,728
Spain	206,800	6,919
Turkey	639,000	5,651
United States	1,483,800	268,843

Source: International Institute for Strategic Studies

THE AGREEMENT

Highlights of the agreement between NATO and Russia:

NEW MEMBERS Russia drops its objection to NATO's expansion to include former Soviet satellites, expected to start with Poland, Hungary and the Czech Republic.

A NATO-RUSSIAN COUNCIL will be established to discuss security issues. In a compromise, it will be run by the NATO secretary-general, a Russian official and a representative of a NATO member.

NUCLEAR WEAPONS NATO says it has no plans to deploy nuclear weapons or establish storage sites on the territory of its new Central European members.

FOREIGN FORCES NATO has assured Russia that it will not permanently station "substantial" numbers of U.S., Canadian or Western European troops on the soil of its new members.

NYT

NATO: *Landmark Charter*

Continued from Page 1

meeting in Madrid in July. The issue was also left alone by Mr. Clinton, who faces serious opposition to the expansion.

The theme of the ceremony, and the document with it, was partnership, involving an effort by NATO to stress Russia's dignity, potential and determination to achieve a prosperous, democratic state. It was knowingly the antithesis of the circumstances at the Versailles peace conference at the end of World War I, when Germany emerged humiliated and vengeful of the Allies.

The Permanent Joint Council created by the document says the shared objective "is to identify and pursue as many opportunities for joint action as possible" without interference in the internal affairs of the participants. The council would be the principal body for consultation between Russia and NATO in times of crisis, with provisions for emergency meetings in addition its regular meetings of defense and political officials, and exchanges of officers at military headquarters.

In an attempt to preempt criticism within the Allied countries that the council could provide a forum for Russian interference, the charter states that neither side is provided with a veto right. A White House briefing paper emphasized: "While Russia will work closely with NATO, it will not work within NATO. The Act makes clear that Russia has no veto over Alliance decisions and NATO retains the right to act independently when it so chooses."

The document contains NATO's phrase that it has no intention, plan or reason to deploy nuclear weapons on the territories of its new members, an assurance to Russia but short of a formal renunciation that would have been regarded as making limited partners of the incoming countries.

With the charter still deeply unpopular in Russia, Mr. Yeltsin said, "It will protect Europe and the world from a new confrontation and will become the foundation for a new, fair and stable partnership."

Mr. Clinton asserted: "For all of us, this is a great day. From now on, NATO and Russia will consult and coordinate and work together. Where we agree, we will act jointly."

Addressing critics who fear that expanding the Alliance will make it potentially unmanageable, leaving Russia feeling increasingly encircled, he added: "Now we have another chance. Russia has opened itself to freedom. The veil of hostility between East and West has lifted. Together we see a future of partnership too long delayed that must no longer be denied."

For President Jacques Chirac of France, the ceremony was the end of the division of Europe created at Yalta, "a chapter without precedent in that it expresses a common vision of the future." Helmut Kohl, the German chancellor, found the charter more than a chapter in the history of Europe but one "in the history of mankind."

Mr. Yeltsin's remark on the missiles came after he had completed his speech. He rose again, saying, "I, today, after having signed the document, am going to make the following decision. Everything that is aimed at countries present here, all of those weapons are going to have their warheads removed." After a meeting between Mr. Clinton and Mr. Yeltsin, Sandy Berger, the president's security adviser, said that the Russian president had confirmed the proposal not to target the Act's other NATO signatories.

Later Tuesday, Mr. Clinton arrived in Amsterdam.

What They Said

The Associated Press

Excerpts from remarks at Tuesday's signing of the NATO-Russia accord:

"The logic of confrontation between former adversaries is yielding to a new era of cooperation. The Paris accord does not shift the divisions created in Yalta. It does away with them once and for all."
— Jacques Chirac, French president

"This is our joint accomplishment, and this is also a victory for reason."
— Boris Yeltsin, Russian president

"Our efforts have borne fruit. In Paris, we may resolutely direct our gaze to the next century, to a vision of a free, united, prosperous and stable Europe."
— Javier Solana Madariaga, NATO's secretary-general

"For decades our European continent was divided. No country has suffered more from that than Germany."
— Helmut Kohl, German chancellor

"The veil of hostility between East and West has lifted."
— Bill Clinton, U.S. president

U.S. Affirms Position On NATO Command

Reuters

PARIS — The United States continues to insist that NATO's Southern Command, based in Naples, remain in American hands, the State Department spokesman, Nicholas Burns, said Tuesday.

"The American position has not changed," Mr. Burns said, speaking to reporters on the sidelines of a Paris summit meeting marking the signing of the NATO accord with Russia.

The head of the Southern Command "must be an American," Mr. Burns reiterated.

France, which left the North Atlantic Treaty Organization's integrated military command in 1966, has been pressing for the Naples position, traditionally held by an American admiral, to be handed over to a European officer.

Paris says that France's return to NATO's military command will be frozen unless a satisfactory agreement is reached on the matter.

CONGO: *Reports Emerge of Extermination Camp for Refugees*

Continued from Page 1

have killed them instead of treating them medically and, bringing them near the airport. How can you put that together with accusations that we are killing them?"

It is impossible to say for certain if refugees have been killed by the order of top Congolese officials or by local commanders and rogue units, perhaps with the cooperation of Rwanda.

But still, Congolese soldiers south of here will not let anyone past the roadblock to look. Even diplomats with the personal permission of Mr. Kabila who have come thousands of kilometers to find out what happened to the refugees, have been barred from the area. Many accounts, all essentially consistent, suggest something deeply disturbing has gone on there, more disturbing even than the accusations last month by UN officials that the Hutu refugees had been condemned to a slow death from starvation and disease by Mr. Kabila's forces.

One reason the accounts are emerging is that the soldiers operating in the zone have needed the help of local people to carry out their work. Local people say they have been dragooned to work south of Kilometer 42, carrying bodies, driving trucks, or digging graves.

Witnesses have reported the arrival of a well-drilled and heavily armed military unit in the days before the jungle area was sealed off. Second-hand accounts report killings and funeral pyres deep in the rain forest, and soldiers carrying off bags of human ashes.

It is not clear how many of the soldiers from this unit remain in the area. But at least one former Zairian soldier who worked in the zone said about 30 refugees are still being killed each day as they emerge from hiding places in the forest.

Mr. Kabila's forces, who this month won their war to end the 32-year reign of Mobutu Sese Seko, have from the start included large numbers of Tutsi, ethnic rivals of the Hutu in Congo and neighboring countries. The refugees are among some 1.2 million Hutu who fled neighboring Rwanda in the summer of 1994 after a Tutsi-led government came to power and ended a genocidal three-month campaign by Hutu leaders against Tutsi and moderate Hutu that killed at least a half-million people.

From the start of Mr. Kabila's rebellion last September, which began in the eastern area bordering Rwanda, Congolese rebels received assistance from the Rwandan government, diplomats say. Once the fighting began, most of the Rwandan Hutu refugees who had lived in the border area for more than two years returned home, but tens of thousands fled deeper into Congo's interior ahead of Mr. Kabila's advancing forces.

The suspicions swirling about the activities along the jungle road here include the possibility that a combat unit — which witnesses say is formed of Tutsi speaking the Rwandan dialect and perhaps from Rwanda itself — is conducting or completing a campaign of reprisal or preemptive killings against those Hutu who survived their exile and were preparing to be returned to Rwanda by the United Nations and other aid groups.

According to refugees and aid workers who have talked to survivors and to local Congolese soldiers who say they have helped bury the bodies, groups of refugees are being waylaid as they stumble up the road toward a UN airlift that would be their salvation. The men are tied up, made to kneel, and then strangled or hacked to death as others watch, they say. Sometimes women and children are killed too, and sometimes the children are released to go on up the road — this time alone, they say.

Beyond Kilometer 42, there are reports of burial pits from which the bodies from earlier killings are being dug up and burned. Soldiers and local Congolese civilians who have trucked in wood and gasoline say there is an open-air crematorium beside a quarry at Kilometer 52.

According to The Associated Press, a disaffected soldier from Mr. Kabila's forces, who said he had killed no one but had helped remove bodies, described how the ashes of the burned bodies are shoveled into white bags and stored to be dumped into rivers later. The soldiers operating south of Kilometer 42 are under great pressure to hurry before outsiders gain access to the area, said the soldier, who said he had volunteered the information because he had grown disgusted with the killings.

"When the UN eventually comes to investigate, there will be no evidence left," the AP quoted him as saying.

Sierra Leone Aide Seeks Intervention

Compiled by Our Staff From Dispatches

UNITED NATIONS, New York — Sierra Leone's delegate to the United Nations urged West African states Tuesday to intervene militarily to restore the democratically elected government ousted over the weekend by a military coup.

The official, James Jonah, said Sierra Leone's deposed president, Ahmed Tejan Kabbah, had appealed to the Economic Association of West African States "to help restore democratic government."

Mr. Kabbah fled to Guinea on Sunday after troops led by Major Johnny Paul Koroma seized power. At least 18 people died and 40 were wounded the military takeover Sunday as fighting, looting and arson swept the capital, Freetown.

The West Africans maintain a peacekeeping force in Sierra Leone.

Mr. Jonah said he would represent Mr. Kabbah at the next meeting of the Organization of African Unity and would urge other African nations to deny assistance to the new leadership. *(AFP, AP)*

CLINTON: *A Rebuff on Legal Immunity*

Continued from Page 1

executive branches of government.

"We assume that the testimony of the president may be taken at the White House at a time that will accommodate his busy schedule," Justice Stevens wrote, "and that, if a trial is held, there would be no necessity for the president to attend in person."

The constitution, he wrote, gives a president no protection against private lawsuits. "Like every other citizen," he wrote, Ms. Jones "has a right to an orderly disposition of her claims."

The case stems from her allegations that Mr. Clinton summoned her to a hotel room in 1991, when he was governor of Arkansas and she was a low-level state employee, then exposed himself and sought oral sex from her.

Mr. Clinton has denied the charge.

Ms. Jones did not file the claim until 1994, after Mr. Clinton was president, prompting charges from his defenders that she was seeking fortune (the lawsuit asks for $700,000) and publicity. Her supporters said she had filed suit only after a magazine article identified her.

Ms. Jones's supporters applauded the court ruling. "Paula has always felt that the courts would find that no man is above the law," said Cindy Hayes, who heads a fund established to pay Ms. Jones's legal expenses.

But Mr. Clinton's lawyers have not exhausted their ability to delay proceedings, and possibly could postpone them until after he leaves office in 2000.

They can seek dismissal of the suit on grounds other than presidential immunity. They can also renew attempts to settle out of court. Attorneys for the two sides were said to have been on the verge of such a settlement two years ago, but the endeavor collapsed when Ms. Jones's attorneys were angered by last-minute published comments from the Clinton team.

The other likely avenue is an attempt by Mr. Clinton's lawyers to delay the case, as suits routinely are. A court would be expected to give serious consideration to a claim from the White House that the burdensome duties of the office of the president justify delaying a suit that could seriously distract him.

The trial judge in Little Rock said when the case was first heard there were constitutional reasons barring a suit against the president from proceeding, but not pretrial proceedings. That, in some ways, could be nearly as distracting as the case itself, particularly if the president were required to make a deposition.

If the president should repeatedly certify that he is unavailable to the court, other aspects of pretrial procedure could proceed without his attendance, including written questions and document requests to other parties.

In the past, courts have always respected a president's schedule, as they did when Theodore Roosevelt, Harry Truman and John Kennedy were sued in private cases, or when Mr. Clinton was subpoenaed to testify in two Whitewater criminal trials.

The case was advertised as one of grand constitutional principles: In a democracy, does the president stand above the law? Does the office confer on him special rights or immunities? Or must a plaintiff in a civil suit receive equal consideration, even though it might interfere with presidential conduct of the nation's business?

Palestinians Release U.S. Broadcaster

Agence France-Presse

RAMALLAH, West Bank, — A Palestinian-American television journalist held by Palestinian security services for a week was freed Tuesday, members of his family said.

No charges were brought against the journalist, Daoud Kuttab, who had been on a hunger strike to protest his imprisonment, they added.

Mr. Kuttab, a producer, had been broadcasting live debates by the Palestinian legislative council that featured strong criticism of Palestinian Authority officials. The White House issued a demand last week for his release, and had the U.S. consul in Jerusalem meet with Yasser Arafat on Monday.

EUROPE: *Socialists in Many Countries Celebrate French Returns*

Continued from Page 1

piece of Mr. Kohl's European vision.

The Germans do not expect French Socialists to renege on the commitment to monetary union made by the former president, Francois Mitterrand, himself a Socialist. But the party has set conditions for supporting the concept.

German officials are concerned that a Socialist government in Paris might strain the alliance by pressing demands unpalatable to German voters, who are troubled by the thought of losing their cherished Deutsche mark to a softer European currency.

Mr. Kohl displayed characteristic caution about the first-round French results, saying that "one must let the results of the first round of the French elections take effect and wait for the second round."

Preparations for the new currency, the euro, have already led to budget cuts as governments try to get their books in order so that they qualify for inclusion.

That has raised a prospect of unfamiliar hardship in countries, particularly France and Germany, where unemployment is nearly at record levels and unions are gearing to confront government plans to cut social provisions that are seen as a birthright, including generous sick pay and pensions.

The French vote is going to be taken as a signal of whether Europe's future lies in kneeling for the global dictates of a market-driven order or in trying to salvage the costly benefits that have taken root in Europe since the World War II. In other words: Does Europe follow the prescriptions of Margaret Thatcher in the 1980s or those of the debilitated Continental left in the post-Iron Curtain 1990s?

"The French result is even more significant than the already important victory of Tony Blair in England," said Armando Cossutta, head of Italy's far-left Refounded Communist Party.

"The left in France is campaigning on a much more advanced program, centered on a reduction in working hours and defense of the welfare state."

Against that, Jose Maria Robles Fraga of the governing Popular Party in Spain said that "anyone who wants the future of Europe entrusted to a coalition of Socialists and Communists has not understood anything that has happened since the fall of the Berlin Wall."

EUROPE

East German Spymaster Is Sentenced and Freed

Verdict Comes Ahead of Wolf's New Book

By Alan Cowell
New York Times Service

BONN — Markus Wolf, the former East German spymaster who undermined and outsmarted his adversaries for decades during the Cold War, was found guilty Tuesday on three counts of kidnapping dating to the 1950s and 1960s.

His trial in Duesseldorf represented one of few conclusive attempts by the reunified Germany to bring the onetime Communist leadership to book for deeds that grew from and cemented the country's division.

Mr. Wolf, 74, who dismissed the hearings as a political show trial, was given a two-year suspended sentence, meaning that he walked free in a glare of publicity just days before the June 1 publication of his memoirs in 14 countries.

In the weeks preceding the verdict, prepublication serialization of the memoirs has infuriated many politicians here by accusing the late Herbert Wehner — a towering Social Democrat figure in West German politics — of maintaining conspiratorial links to the erstwhile East German authorities.

But, from a cinematic viewpoint, the memoirs' most striking picture is of two CIA operatives arriving at his dacha outside Berlin in 1990 — a few months after the fall of the Berlin Wall — laden with pralines and flowers and *offering him a new identity in California* and a large amount of money in return for the names of his agents.

The verdict followed six years of efforts by German federal prosecutors to punish Mr. Wolf for his role as head of East Germany's foreign intelligence department — a position that once earned him the sobriquet of "the man without a face" among Western intelligence operatives who, for years, did not know what he looked like.

In 1993, two years after he gave himself up to the German authorities, the same Duesseldorf court convicted Mr. Wolf on treason charges and ordered him jailed for six years. But the verdict fell away in 1995 after Germany's highest court ruled that former East German intelligence could not be accused as traitors for espionage activities in their own country.

In January, prosecutors invoked East German law to charge Mr. Wolf with kidnapping, coercion and causing bodily harm, offenses subject to a statute of limitations for former West German spies but not for their East German counterparts.

The case has provoked debate between East Germans and West Germans over the same troubling issue as besets other countries, from South Africa today to Germany a half-century ago: How should figures from the past be dealt with when repressive regimes give way to democratic successors?

Mr. Wolf and his supporters maintain that he has been tried as an emblem of a defeated regime by vengeful people who still cannot come to terms with his ability to hoodwink them.

But the presiding judge in Duesseldorf, Ina Obst-Ollers, argued Tuesday: "I want to set it straight that he was not convicted because he was a Stasi symbol." The Stasi was the German state security apparatus in which Mr. Wolf worked. "He was accused of concrete crimes."

Those crimes included the abduction *of a Stasi defector from Austria in* 1962, the 1955 kidnapping of a German translator working for U.S. authorities in West Berlin and the 1959 detention of an East German typesetter who had worked for the Gestapo in occupied Norway during World War II.

The prosecution, which dropped separate treason charges three weeks ago to accelerate the hearings, had demanded a jail term of three and a half years, and defense lawyers depicted the two-year suspended sentence as a victory.

"I should be able to live with this judgment if I did not believe it was a violation of the law and the constitution," *Mr. Wolf said.*

Both the defense and the prosecution have one week to consider appeals.

Mr. Wolf was head of the East German foreign intelligence agency from 1953 to 1986, running a network of 4,000 agents. Possibly the most illustrious of those was Gunter Guillaume, infiltrated into the office of former Chancellor Willy Brandt. The unmasking in 1974 of Mr. Guillaume brought down Mr. Brandt's government.

Herbert Spors/Agence France-Presse
Mr. Wolf and his wife, Andrea, arriving at court Tuesday in Duesseldorf.

Late Appeal by Chirac Defends Reform Policy

President Fails to Name Juppe Successor

By Joseph Fitchett
International Herald Tribune

PARIS — President Jacques Chirac, plunging into the parliamentary election campaign Tuesday in a bid to pull out a conservative victory, urged French voters to rally behind candidates committed to economic liberalization and European integration.

Appealing to the French people not to "squander the benefits that we are close to harvesting," he defended recent strict budgetary policies and economic modernization by saying that they are starting to show results.

Acknowledging that reforms often call for sacrifices, Mr. Chirac insisted that France was on the only path to remain a European power at the end of the century.

His 10-minute appearance on television amounted to a keynote address for the early elections he called a month ago. But it may have been too little and too late for the center-right government to survive with a working majority in Sunday's runoff ballot. The first round last weekend left the opposition Socialists with a surprising advantage.

Mr. Chirac had to put his personal *prestige on the line, as his predecessors* have done in difficult elections — although rarely so late in the campaign. The poor showing forced Prime Minister Alain Juppe to announce his intention to resign — the first time a prime minister leader has bowed out during a campaign.

A key question, which was not directly answered in the speech, is who would become prime minister if the conservatives manage to hold a parliamentary majority.

The answer is particularly important to voters, commentators said, because the Chirac government has been so vague about its future agenda.

While Mr. Chirac did not cite any possible candidate, the thrust of his appeal seemed to point toward Edouard Balladur, a former prime minister who unsuccessfully challenged Mr. Chirac for the presidency two years ago, as the man who could best run policy in accordance with Mr. Chirac's vision.

Mr. Balladur advocates steady but cautious economic liberalization and favors a single European currency by Jan. 1, 1999, in tandem with Germany.

In his comments, Mr. Chirac warned voters not to "jeopardize" European integration at what he called a critical moment. This was a veiled reproach to hesitations about the present policy that is shared by the Socialists and, to a large degree, Philippe Seguin, another widely mentioned possibility for prime minister.

In Germany, Chancellor Helmut Kohl, an ally of Mr. Chirac's, would be comfortable with Mr. Balladur but not with Mr. Seguin or the Socialists, whose doubts about Europe are echoed by German Social Democrats.

Mr. Seguin, quoted in the issue appearing Wednesday of L'Express magazine, reiterated that France could force Germany to loosen the economic criteria for a single currency to allow inflation, growth and jobs.

"France is France after all! Without France, there is no single currency. But we have to know what we want and we have to say so firmly," he said.

Mr. Chirac carefully phrased his views to leave room for him to cooperate with a Socialist prime minister, presumably Lionel Jospin, if the conservatives lose.

But the speech provided a foretaste of Mr. Chirac's agenda during a possible "cohabitation" between the conservative president and a leftist government.

By not singling out a favorite, Mr. Chirac also avoiding damping the ambitions and discouraging the campaign efforts of other conservative candidates to succeed Mr. Juppe in the job of trying to reconcile the need for painful changes with many French voters' determination to resist any risks with their system.

In an interview in the newspaper Le Monde, Mr. Balladur suggested Tuesday that *Mr. Juppe's policies were the* right ones but badly presented and clumsily handled.

Mr. Balladur and Mr. Seguin appeal to separate currents in the Gaullist party. Mr. Seguin emphasizes social values and a strong government role to maintain France's unity and prominence while Mr. Balladur stresses the need to modernize government and guarantee equal opportunity as the way ahead.

The former prime minister is close to the centrist party, created by former Valery Giscard d'Estaing and now the junior coalition partner, which stresses European integration as a way to modernize France.

He advocates tax cuts as the key to growth — an idea backed by Mr. Chirac in his comments — while Mr. Seguin says bluntly that social protection is worth spending on.

In the campaign, Mr. Seguin has been closer to the center, while Mr. Balladur would dramatize the choice between cohesive conservative leadership and the Socialists.

The votes of many National Front supporters are needed for a conservative majority, but it is unclear how Jean-Marie Le Pen's followers would react to the ascension of Mr. Seguin or Mr. Balladur.

For Mr. Chirac, personal factors are bound to weigh.

He has always been wary of Mr. Seguin, 54, a rough-hewn intellectual who is a potential challenger at the end of the current presidential term in 2002. In contrast, Mr. Balladur, 68, is four years older than Mr. Chirac and not a rival again.

As Croats Bar Serbs, West Delays Return Of Enclave

By Chris Hedges
New York Times Service

ZAGREB, Croatia — Washington and its European allies, angered by the stubborn refusal by the Croatian government to permit 350,000 exiled ethnic Serbs to return to their homes in Croatia, have decided to postpone Croatian control of the UN-administered enclave in Eastern Slavonia.

The decision to extend the mandate of the 5,000-member UN peacekeeping force in Eastern Slavonia, a swath of land that was seized by rebel Serbs six years ago, is expected to unleash a firestorm in Croatia when it is announced. The extension of the UN mission, these diplomats said, will also exacerbate the deteriorating relations between Washington and Zagreb, especially if the Croatians, as many expect, continue to refuse to honor the commitments to permit Serbs to return home, made under the Dayton peace agreement.

The decision to extend the UN mandate, at least for another six months, looks likely to be approved in June by the UN Security Council, Western ambassadors said. And these diplomats said Tuesday that, if Croatia continued to *refuse to abide by its commitments*, they will lobby for a further extension of the UN presence beyond next January.

President Franjo Tudjman and his ruling Croatian Democratic Union make frequent references to the scheduled return on July 15 of Croats to the region and especially the gutted city of Vukovar, where the 1991 war for independence from the former Yugoslavia began. The return of Vukovar, where several thousand Croats were killed by besieging Serb forces, figures prominently in Mr. Tudjman's current campaign for the June presidential elections.

U.S. officials warned Tuesday that they would also scuttle Croatia's entry in Western economic and military alliances if the Serbian refugees were not permitted to return home. Many of these officials gloomily predicted that, given the attitude of the government, compliance by Zagreb was unlikely.

The 100,000 remaining ethnic Serbs in Croatia, most of them elderly, have been systematically attacked by gangs of Croats, evicted from their homes, and hundreds have been beaten or killed. Of the 8,000 ethnic Serbs who remained in the Krajina enclave after it was seized by the Croatian military in August 1995, 10 percent were slaughtered. There were 200,000 Serbs, many whose families *had lived in the area for generations*, who fled to Serbia and Bosnia.

Nearly all of the few hundred ethnic Serbs who have managed to return to homes in Croatia have been unable to move into their houses because of a draconian "temporary" housing law, that has, in effect, allowed the government to confiscate all Serbian property and turn it over to Croats. And the government is moving ahead with a widespread and costly program to settle ethnic Croats in Serb property.

Zagreb has also failed, despite repeated U.S. requests, to make provisions to provide security for any of the 120,000 ethnic Serbs who might remain in Eastern Slavonia under Croatian rule, U.S. officials said.

A total of 350,000 Serbs fled their homes after successful Croatian Army campaigns to seize two of the three rebel Serbian enclaves in May and August of 1995. About 60,000 of these displaced Serbs live in formerly Croat homes in Eastern Slavonia. The others reside in *miserable collection centers or crowded* apartments in Bosnia and Serbia.

President Tudjman, seriously ill with cancer, has, however, pointedly told U.S. officials that his government has no intention of allowing Serbs to come back. And in a two-hour meeting Tuesday with Ambassador Robert Gelbard, the State Department's special representative for implementation of the Dayton accords, the president refused to waver from his hard-line stance.

The U.S. ambassador to Croatia, Peter Galbraith, and eight other Western ambassadors, delivered an unusually stern démarche to Mr. Tudjman on Friday. They threatened an extension of the UN presence if certain measures, including a repeal of the "temporary" housing law, were not immediately carried out.

The president, who listened to the démarche as he rapidly twirled his thumbs in apparent disgust, heatedly told the gathering "that no reasonable person in the international community can expect the Croats to accept the Serbs back," according to those present. The president went on to comment approvingly, in front of the German ambassador, of the campaign following World War II in Czechoslovakia that drove all ethnic Germans from the Sudentenland.

"It would be very hard, at this point, for the Croatian government to fulfill the conditions necessary to allow us to return Eastern Slavonia to Croatian rule," said a Western ambassador who met with the president, "but this is only compounded by the fact that the government says it won't fulfill these conditions."

Amel Emric/The Associated Press
Sarajevans signing a petition Tuesday demanding that Michael Steiner, the No. 2 official overseeing the civilian aspects of the 1995 peace accords, be allowed to succeed Carl Bildt in the senior post. A spokesman for Mr. Bildt's office said Mr. Steiner had already been ruled out. Carlos Westendorp of Spain is expected to get the post.

U.S.-EU Haggling Clouds Outlook for a Trade Deal

By Tom Buerkle
International Herald Tribune

The United States and the European Union failed to reach agreement Tuesday on a draft accord to eliminate important nontariff barriers to trans-Atlantic trade, a setback to President Bill Clinton and EU leaders who had hoped to make a deal the centerpiece of their semiannual meeting Wednesday.

Charlene Barshefsky, the U.S. trade representative, and Sir Leon Brittan, the EU trade commissioner, were unable to break a months-long deadlock on the so-called mutual recognition agreement during talks in Paris, where both were attending the annual meeting of the Organization for Economic Cooperation and Development.

While both sides planned to keep talking through Wednesday, officials said an agreement appeared out of reach.

In addition to blaming each other for the deadlock, the two officials disagreed openly on the need for a new round of comprehensive global trade negotiations, with Sir Leon calling a new round vital to liberalizing commerce around the world and Mrs. Barshefsky dismissing it as irrelevant.

The stalemate set a discordant tone for a meeting Wednesday in The Hague between Mr. Clinton, Prime Minster Wim Kok of the Netherlands, current holder of the EU presidency, and President Jacques Santer of the European Commission, the EU executive agency.

It also was far from the spirit of trans-Atlantic cooperation that the three leaders had planned to commemorate in ceremonies marking the 50th anniversary of the Marshall Plan, the American aid program that revived the European economy after World War II.

The absence of a trade deal would only draw attention to more serious differences the two sides are trying to resolve, including the dispute over U.S. sanctions on foreign companies that trade with Cuba and Washington's concern over the European antitrust investigation of the Boeing-McDonnell Douglas merger.

EU and U.S. officials said the leaders were unlikely to discuss the Boeing case directly for fear of politicizing a controversial antitrust review, but a spokesman for the EU commission said Mr. Santer would stress that the European review was being conducted "on the basis of objective rules."

"It's certainly not an issue that will improve the atmosphere of the summit," a senior Dutch official said.

Officials also said the two sides had made no headway in turning the current six-month truce over the Helms-Burton Act, which contains the Cuba sanctions, into a permanent settlement.

A settlement of the issue requires the two sides to reach an agreement on property expropriations in third countries, but Mrs. Barshefsky and Sir Leon did not raise the matter in their discussions, said Jay Ziegler, a spokesman for Mrs. Barshefsky.

Mr. Clinton and EU leaders will sign agreements to facilitate trade by simplifying customs procedures, and to combat drug trafficking by imposing controls on trade in key chemical components of drugs like ecstasy.

The two sides also will be able to point to closer collaboration on political issues, ranging from North Korea, where the EU has just agreed to contribute 90 million European currency units ($78 million) to a U.S.-backed plan to counter the threat of nuclear proliferation, to Iran, where EU governments have suspended contacts following a German court ruling that found Tehran's leaders responsible for murder.

"Our positions are closer than they have been for quite some time," a U.S. official acknowledged.

But a trade failure would be particularly disappointing because both sides have targeted industry-driven trade initiatives as a cornerstone of closer economic and political cooperation between the United States and the 15-nation Union.

The mutual recognition agreement has been a top priority of business because it would eliminate the need for duplicate European and American testing of products accounting for $40 billion of two-way trade.

EU and American negotiators have already missed a January deadline set by President Clinton and EU leaders at their previous summit meeting, in December.

"We will lose the momentum" if an agreement is not concluded this week, said Stuart Eizenstat, U.S. undersecretary of commerce for international trade.

European officials accused the U.S. Food and Drug Administration of blocking progress by insisting on its right to review European certifications of pharmaceutical products and by offering to include in the pact only 45 of 800 medical devices, ranging from scanners to protheses.

BRIEFLY

Ankara Coalition Faces New Vote

ANKARA — The Turkish opposition said Tuesday it would introduce a new censure motion next week in an effort to bring down the Islamist-led government of Prime Minister Necmettin Erbakan.

"We will submit our appeal for a vote of no-confidence for the government to the parliamentary speakership early next week," said Mehmet Kececilер, deputy leader of the Motherland Party. "The government will fall this time."

Last week, Mr. Erbakan's government narrowly escaped a censure motion introduced by the opposition. *(AFP)*

German Bishops Meet With Pope

VATICAN CITY — Pope John Paul II presided over talks Tuesday with Germany's Roman Catholic bishops on whether the church in Germany should continue to take part in a counseling system for mothers considering abortions.

Under the law, pregnant women seeking abortions need certification showing they know about offers of help for *mothers and children*. The German church, saying many women have changed their minds about an abortion as a result of the counsel system, has been resisting Vatican pressure to drop out of the system.

The Pope agreed to the bishops' request for a meeting, whose participants included Cardinal Angelo Sodano, the Vatican's secretary of state; Cardinal Jozef Ratzinger, the Pope's guardian of orthodoxy, other top Vatican officials and 27 German bishops. The Vatican said after the meeting that the "solutions to be adopted will be indicated after a careful evaluation of the results of the meeting." *(AP)*

Vote Observers Arrive in Albania

TIRANA, Albania — A team of election experts from the Organization for Security and Cooperation in Europe began fanning out Tuesday across Albania to prepare for the June 29 vote, officials said.

The 28 experts left a Tirana hotel guarded Italian, Turkish and Greek troops in jeeps from the multinational force. Tony Welch, coordinator for the monitoring effort, said, "These are the people who go out into the towns, talk with the Albanian authorities and advise them on how to prepare for these *elections*."

Twenty to 25 more observers, part of a planned force of 80 people, are to arrive Wednesday and move to the countryside over the weekend. The vote was called to defuse tensions after thousands of people who lost their savings in investment schemes rioted in March. *(Reuters)*

For the Record

Poles narrowly approved a new constitution to replace the Communist-era charter, results of a referendum released Monday showed. The Election Commission said 52.71 percent backed the new constitution, while 45.89 percent were opposed; 1.4 percent of votes were invalid. *(Reuters)*

Daughter Is Born To Woman Held In IRA Bombing

The Associated Press

LONDON — A women facing extradition to Germany for questioning on IRA bombing charges gave birth Monday while under guard in hospital.

Friends of Roisin McAliskey, daughter of the former civil rights protester and nationalist lawmaker Bernadette Devlin, said she had a baby girl.

Mrs. McAliskey, who suffers from asthma, was taken to the Whittingdon Hospital in north London with an armed police escort after a court granted her bail last Friday.

She had been held without charge in prison while fighting extradition to Germany. Supporters contend that she has been mistreated and has lost weight since her arrest.

German police want to interview her in connection with a June 28 mortar bomb attack at a British Army base in Germany. Nobody was injured in the Irish Republican Army attack, but buildings were damaged.

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

'The Most Unsordid Act'

Looking back 50 years to the dawn of the Cold War, a certain modesty is in order. We now know who won, and can itemize the mileposts of victory. The nuclear peace held, the industrial democracies hung together, and over time the Soviet empire collapsed, just as George Kennan foresaw in his pivotal "long telegram" from Moscow in February 1946. There he urged collective resistance to Stalin's expansionary drive, yet presciently added that the success of the Soviet system "is not yet finally proven" and its permanence "need not yet be regarded as assured."

But the fate of the Soviet Union was unknown when Secretary of State George Marshall rose on June 5, 1947, to deliver the commencement address at Harvard University. What he did know was not encouraging. In Washington, his boss, Harry Truman, had plunged in approval ratings, abetted by the first Republican Congress since the 1920s. Europe, still bleeding from the war and having just endured the century's worst winter, faced in Marshall's words "hunger, desperation, poverty and chaos."

Nor was it a good time to ask Americans to offer erstwhile adversaries and prostrate allies, including a no longer friendly Soviet Union, billions in loans and grants. Americans had already voted nearly $20 billion for postwar emergency programs and were in no mood to spend more.

In March 1947, when President Truman asked a reluctant Congress to appropriate $450 million in security aid for Greece and Turkey, the loudest applause the president elicited was when he promised that the money would be promptly repaid.

Nonetheless, in Massachusetts that fine June day, in six fateful sentences, Marshall said America would open its purse wide if Europe, including the Russians, came up with a promising recovery plan. These were the seeds of what Winston Churchill called "the most unsordid act in history."

From 1948 until 1951, with Republican support, some $13 billion, the equivalent of roughly $80 billion today, was disbursed in Marshall Plan grants and loans. This opened the way to NATO, the Common Market, French-German friendship and thus the Western world we know today.

Granted, Marshall aid was not charity. It generated a thriving market for U.S. exports, and its deeper motive was political, to shore up the European center-left and contain the Soviet Union.

But Marshall and his chief deputy, Dean Acheson, rightly gambled that Stalin would boycott the July meeting in Paris prompted by the Harvard speech. Stalin went further. He barred Czechoslovakia from participating, presaging the 1948 Communist coup in Prague and the hardening of the Iron Curtain that Churchill had perceived two years earlier in another commencement speech, in Fulton, Missouri.

Seen in hindsight, the end of the Cold War was foreshadowed in its advent. Under Stalin, the Kremlin assumed that a capitalist economic crisis would engulf and cripple the West. Certain that it would triumph no matter what, Moscow proceeded to drain $14 billion from Eastern Europe between 1948 and Stalin's death in 1953, the same period in which Washington provided $13 billion to Western Europe. The Soviet bloc, for all its outward might, was rooted in subservience and rapacity.

The real surprise in newly opened Cold War archives is how few surprises have thus far emerged. So writes John Lewis Gaddis in "We Now Know," a brave early attempt to distill these documents into a narrative.

Stalinist Russia was as dangerous and devious as Mr. Kennan concluded in his remarkable telegram. The onus for dividing Europe rested with Moscow, and so long as Stalin was in charge, conflict was inescapable. Where Americans (although not Mr. Kennan) erred was in underestimating the political and economic weakness of the Soviet system, a misjudgment that contributed to the tragic intervention in Vietnam.

But this was not so evident 50 years ago. Facing a Soviet adversary with global appetites and a nuclear capacity, Washington rose impressively to the occasion, summoned life from the ashes of Europe and rallied support for a bold and demanding response.

Today's threats are more subtle and require more nuanced responses. The planned eastward expansion of NATO mimics the grand strategies of the earlier era but seems misplaced at a time when the consolidation of democracy in Russia is paramount.

Still, America has every reason to look back with awe and admiration at how it met the great challenges that followed World War II.

— THE NEW YORK TIMES.

Give Khatami Time to Prove Himself in Tehran

By Amir Taheri

LONDON — The Iranian presidential election has produced a surprise result that has to be taken into account in any reappraisal of policies toward Tehran. Almost two-thirds of the voters, some 22 million people, chose Mohammed Khatami, a 54-year-old mullah, against another 54-year-old Mullah, Ali Akbar Nateq-Nouri.

Some might wonder what the difference can be between one middle-aged mullah and another? The answer: more than you might think.

Mr. Khatami campaigned on a platform of social liberalization, political opening, normalization of relations with the outside world, including the West, greater rights for women, and the rule of law. Those are truly revolutionary themes in an Iran suffocating under a corrupt and oppressive regime with a medieval ideology.

Mr. Nateq-Nouri, candidate of the most reactionary factions in the Khomeinist establishment, offered a platform that resembled what the Taleban movement is doing in Afghanistan. He won less than a quarter of the vote, despite massive cheating in his favor in many provinces. The Iranian people, abandoning their habit of boycotting elections, decided to turn up en masse to prevent the Taleban ideology from winning.

The election was neither free nor fair, in the sense accepted in a pluralist democracy. Mr. Khatami's campaign was severely restricted by the government and some powerful mullahs who treat the provinces as their fiefdoms. The victorious candidate was prevented from even visiting six of the country's 27 provinces during the campaign.

Nevertheless, for the first time there was a genuine contest and a clear choice. And the personality and policies of the winner do matter. Mr. Khatami is an urbane intellectual who has lived in Europe, knows French and German and is familiar with Western literature and political thought.

Mr. Nateq-Nouri comes from a peasant family, has little formal education, has traveled out of Iran only on brief official visits to Russia, North Korea and Sudan, and believes that the only book one needs to read is the Koran.

Mr. Khatami won because urban middle and working classes wanted to block Mr. Nateq-Nouri. The unexpected voter turnout stymied his well-oiled electoral machine.

It is almost a cliché to say that totalitarian regimes cannot reform until a significant section of their people decides that it is time for change. That is what is happening in Iran.

Mr. Khatami was backed by politicians, technocrats, mullahs and military officers convinced that repression at home and adventure abroad are no longer sustainable.

Could Mr. Khatami become the Iranian Gorbachev? Mikhail Gorbachev seized control of the party and the state when he became general secretary and president. In the Iranian system, the elected president has to share power with an unelected "Supreme Guide" and the faction-ridden Parliament.

Nevertheless, Mr. Khatami now has the legitimacy of a clear electoral mandate that neither the "Supreme Guide" nor the Parliament can ignore. He might start a process of reform that in time develops its own unstoppable logic.

Will his election lead to changes in Iran's foreign policy? I believe so. He can start with a clean slate. His name has never been mentioned in connection with terrorism or the mass executions that the regime has carried out over the years. He has made plain that he knows that he cannot deliver an economic upturn without normalizing ties with the industrialized world, including the United States.

Before deciding what new measures to take with regard to Iran, the Western powers should give Mr. Khatami a chance to settle in, form his cabinet and unveil his policies. They should not shut the door in his face even before he is sworn in. Then they should demand that his administration do what he promised during his campaign.

If Iran begins to close the chapter of revolution at home, it would be unlikely to want to keep it open abroad.

The writer, an Iranian journalist abroad, contributed this comment to the International Herald Tribune.

Marshall Plan: Our Economies Grow When They Cooperate

By Donald Johnston

The writer is secretary-general of the OECD.

PARIS — The Marshall Plan's lessons are universal, and have enormous relevance to peace, security and prosperity in the 21st century.

The 50th anniversary of George Marshall's speech coincides in an approximate way with the end of the 20th century, and what a century it has been. Turbulent, brutal, exciting, horrific, dramatic, creative, promising — all these adjectives will be used to describe this exceptional chapter in world history.

As the curtain was raised on this century, tensions were rising in Europe. Alliances flourished and were central to foreign policy, which was anchored in the concept of balance of power, meaning military strength.

Unlike recent times when we counted nuclear warheads in establishing that balance, at the start of the century the measure was the number of soldiers one could put on the field. The French-Russian Agreement of 1894 stated that available forces "to be employed against Germany should be, on the part of France, 1,300,000 men and, on the part of Russia, 700,000 to 800,000 men."

The triple alliance of Germany, Italy and Austria represented the counterbalance, with Britain isolated until the entente cordiale with France in 1904.

This brief excursion into history demonstrates how fragile and tense the European relationships were before World War I, as the century opened.

In the wake of that war, with 10 million killed and 20 million wounded, one would have thought that lessons had been learned. Sadly not. The tension and fragility quickly returned.

In 1936, the British historian H. A. L. Fisher wrote of the differences that had divided the European peoples, concluding with these words:

"These differences are unresolved ... Yet ever since the first century of our era the dream of unity has hovered over the scene and haunted the imagination of statesmen and peoples. Nor is there any question more pertinent to the future welfare of the world than how the nations of Europe, whose differences are so many and so inveterate, may best be combined into some stable organization for the pursuit of their common interests and the avoidance of strife."

World War II was soon upon us, with horrors and dislocations probably unmatched in history because it touched the lives of civilians and took their lives in a way and magnitude never seen before.

Fisher was truly prescient when he wrote that no question would be more pertinent to the future welfare of the world than how the nations of Europe could be combined into a stable organization. What happened after 1945 could not have been foreseen by the most optimistic of world leaders in the late 1930s.

As the ashes of World War II were shoveled away, a new understanding took hold. Wealth, the product of economic growth and development, would flow from cooperation and collaboration, from the interdependence of trade and investment and the concomitant liberalization of markets. In short, the goal was a fully integrated economic community.

Many factors combined to realize the dream. The Marshall Plan funding was certainly one of great importance. But the funding mechanism was even more important.

Through the consensus procedure of the Organization for European Economic Cooperation (from which today's Organization for Economic Cooperation and Development evolved), European countries were obliged to agree on funding allocations as a group. The effects of this approach were astounding when compared with prior experience.

From the end of hostilities until 1947, the United States had expended approximately $14 billion in Europe without visible results. Putting new funding within the Marshall Plan had extraordinary consequences. It stimulated economic cooperation and collaboration that had a much greater impact on the rebirth of Europe than the money itself. In Europe liberalization increased. Inhibiting laws, tariffs and regulations that had prevented market forces from working were gradually dismantled.

Those lessons underpin today's global commitment to multilateral trade and investment. We still have a long way to go, but the destination is now visible at a global level.

We looked at the balances of military power of the 1890s. Now in the 1990s there are new balances — balances of interest. As the curtain lowers on this century, dangerous conflicts of interest which dominated the landscape at its beginning have given way to creative and mutually beneficial competition of market forces. There is an ever increasing coincidence of commercial and environmental interests among nations.

All swords should not immediately be beaten into plowshares. Had it not been for the grand alliance of NATO, which preserved the balance of power against the forces of the Warsaw Pact, Europe, and in turn the world, could not have set in motion the economic miracle of globalization that is unfolding. And our global village still contains dangerous and unstable neighborhoods. The principles of market economics, democratic institutions and respect for human rights do not yet get universal recognition.

Let us hope that the world has learned this lesson for the benefit of future generations: While lasting freedom, peace, prosperity and security must be defended through military prowess, they can be acquired only through economic cooperation and development.

International Herald Tribune.

Forward With a New Generation of Europeans

By Hans van Mierlo

The writer is foreign minister of the Netherlands.

THE HAGUE — Fifty years ago Secretary of State George C. Marshall presented a plan that would help Europe arise from its ashes. The Truman administration understood that something had to be done to get Europe back on its feet.

The United States feared harsh economic, political and social consequences for the people of Europe if they were left to themselves. And there it was, on June 5, 1947 — Marshall laying out a bold and visionary plan for which we owe the American people a great deal.

The Marshall Plan struck an American chord: helping people to help themselves. It was more than a very generous gift. In the first place, it taught us a lesson in international solidarity, which we have internalized over the years in our development programs around the world.

Second, it ensured an important American commitment to the well-being of Europe.

Third, it summoned the European nations to come together. As Marshall said in his Harvard speech, "The initiative must come from Europe." The plan restored hope and gave Western Europe a sense of direction. The upshot has been the step-by-step process of West European integration.

The Soviet Union refused to take part, and that refusal aggravated the growing rift between East and West. Now, after the dividing lines have disappeared, we have a window of opportunity to continue the process that Marshall triggered and witness a re-creation of Europe.

In this process we will hold fast to two basic elements: European integration and a strong, vibrant trans-Atlantic relationship.

The two fundamental European institutions, the European Union and NATO, are adapting to changing times and will soon welcome the new democracies of Central and Eastern Europe.

In the next two weeks the Dutch EU presidency will gear up its efforts to bring the Intergovernmental Conference to a successful end in Amsterdam. Revision of the Maastricht treaty will help the Union adapt its institutional structure so that it can support the admission of new member states. Some six months after the conclusion of the conference, the Union will start accession negotiations with the candidate states.

One of the basic principles of the Union is that membership is open to every European country which meets the stated criteria. Turkey, for instance, has a long way to go before it meets the criteria for full membership. Yet I am firmly convinced that it is in Europe's interest to keep the door open and help Turkey overcome its internal problems.

Enlargement is also on the NATO agenda. NATO and the European Union follow their own calendars, but they serve the same cause: the creation of a peaceful, prosperous, democratic and undivided Europe.

NATO and Russia are moving toward close cooperation. Russia may not have a veto on NATO enlargement, but it is essential that this great nation be included, not excluded, from the emerging new European security architecture.

The trans-Atlantic relationship has taken on a new meaning. The Americans are our relatives by history and our friends by choice. With the Cold War relegated to history, Atlantic cooperation must go beyond traditional security interests. The new Trans-Atlantic Agenda launched by the European Union and the United States covers such important areas as stability in crisis-prone areas, the removal of nontariff barriers and meeting new transnational challenges.

We increasingly face more diffuse problems such as international crime, drug trafficking, environmental degradation and communicable diseases. These problems cannot be contained by national borders. We are also putting in place the building blocks of a trans-Atlantic marketplace, so that we can join hands with our trans-Atlantic business community. Both the United States and the European Union have much to gain from better economic cooperation.

All in all, we are trying to truly bridge the Atlantic by forging people-to-people relations and stimulating civic leadership in communities of the Euro-Atlantic region.

It is no coincidence that an EU-U.S. summit takes place only hours before the Marshall commemoration in The Hague today. From Vancouver to Vladivostok, people have come a long way to share ideas and look ahead to a new Europe.

The coming years will show whether we have been as farsighted as George Marshall and his colleagues. Their wisdom and the perseverance of Harry Truman should be an inspiration to the leaders of today who can marshal a new generation of Europeans for the work of the next century.

International Herald Tribune.

Burma Isn't Normal

Burma's military regime has launched a new, nationwide crackdown against the democratic activists — and rightful rulers — of that Southeast Asian nation. About 200 should-be parliamentarians and their supporters are in jail. The junta has sentenced one democrat to 26 years in prison for possession of a copying machine. One of the world's worst governments is providing "another reason," as the U.S. State Department spokesman said, "why we don't think that Burma ought to be treated as a normal country."

Burma is a nation of 45 million people, rich in natural resources, which should be a leader in Asia. Decades of repressive rule have turned it into a laggard instead. In 1990 the ruling junta permitted parliamentary elections that were won — overwhelmingly — by a pro-democracy party led by Daw Aung San Suu Kyi, even though she was under house arrest at the time. Having lost the election, the military rulers — who go under the name State Law and Order Restoration Council — refused to cede power. Daw Aung San Suu Kyi, a Nobel Peace laureate and daughter of Burma's post-colonial independence leader, has been under house arrest or something close to it for most of the time since then.

The proximate cause of the latest arrests was her call for her National League for Democracy to convene on Tuesday, the seventh anniversary of those elections. The junta, apparently determined to prevent even a one-day peaceful assembly, has been rounding up those who won election to a legislature that never convened. The more basic reason for the arrests is the regime's refusal even to initiate a dialogue with Daw Aung San Suu Kyi, which is her principal political demand.

The crackdown presents a dilemma to Burma's neighbors in Southeast Asia, relatively prosperous and increasingly democratic nations like the Philippines and Thailand, which are debating whether to admit Burma into their Association of South East Asian Nations. Given Burma's political and economic instability, and its wretched global reputation, ASEAN can do itself no good with such a new member.

Britain's new government said last week that it would work with its European Union partners to take new measures against the Rangoon junta. President Bill Clinton last week imposed congressionally mandated economic sanctions. In his meetings in Europe, and at the meeting of the Group of Seven leading industrialized nations next month, he should pursue further cooperative ways to pressure Burma to respect its own people's wishes.

— THE WASHINGTON POST.

Other Comment

The Effects of Bribery

Persistent bribery by major multinational companies across the developing world and in Eastern Europe has four particularly damaging effects:

It distorts fair trade and makes a mockery of the concept of international competitiveness.

It sustains corrupt autocrats in power. (Look at much of the former Soviet Union, not to mention Africa.)

It leads to massive waste of scarce public-sector budget resources, especially in poor countries, and so has dire human rights consequences. Palaces and sports stadiums are built while the rural and urban poor don't even have minimal health care and schooling.

And it renders foreign aid programs ineffective.

European and Japanese multinational corporations routinely pay bribes around the globe.

— Frank Vogl, commenting in The Washington Post.

Work Is Valued Above Children

By Lucia Hodgson

LOS ANGELES — At first glance, an emerging consensus on the importance of child care to welfare reform seems to bode well for poor children in America.

A recent study by the National Institute of Child Health and Human Development found that, in general, children in high-quality day care do as well socially and intellectually as children cared for at home by their mothers. Given the quality of many home environments in poor communities, some children are probably better off in a child care setting.

But most children of welfare recipients will inherit the fate of the majority of children of adults in the work force: very little time, "quality" or otherwise, with parents, compounded by long hours spent in mediocre to harmful surrogate care.

Almost regardless of the economic status of their parents, children in surrogate care are the victims of a society that values time spent working much more than time spent raising children.

Working parents at all income levels have less and less time to spend with their children. Inadequate family leave policies mean that many infants get only a few months of full-time attention, if that.

While high-quality care does not impede children's social and intellectual development, the minimal amount of time spent with parents does interfere with forging crucial primary relationships.

In her coming book "The Time Bind: When Work Becomes Home and Home Becomes Work," Arlie Russell Hochschild suggests that many parents prefer spending time at work. The work world has become "a more appreciative, personal sort of social world," while at home "emotional demands have become more baffling and complex."

Work beckons with "orderliness, harmony and managed cheer," while home offers unresolved quarrels, unending housework and scheduled "quality" time with children.

In addition to the stresses that the economic system puts on parent-child relations, recent studies show that most surrogate care in America is far from the high-quality care that children need to thrive.

More than three-quarters of the children who spend their days in child care centers, and almost two-thirds of those in family day care, are receiving custodial care that does not meet their needs for "health, safety, warm relationships and learning," according to the Families and Work Institute. Ten percent of children of working parents are receiving care that is so inadequate, harmful, unsafe and unsanitary that it interferes with their basic development.

It is unlikely that the children pushed into care by welfare reform will do better than their more advantaged peers.

The fact that our culture has reached consensus on shifting 3.5 million children into a dysfunctional child care system is a testament to our bankrupt expectations for the next generation. We treat the issue of children's well-being as an afterthought.

Children's needs take a back seat to the demands of a family-hostile economic system. We need a broader, more generous vision of why we have children and what they deserve for their own sake.

The writer is author of the forthcoming book "Raised in Captivity: Why Does America Fail Its Children?" She contributed this comment to the Los Angeles Times.

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST
ESTABLISHED 1887
KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER
Co-Chairmen
KATHARINE P. DARROW, Vice Chairman
RICHARD McCLEAN, Publisher & Chief Executive
MICHAEL GETLER, Executive Editor
• WALTER WELLS, Managing Editor • PAUL HORVITZ, Deputy Managing Editor
• KATHERINE KNORR and CHARLES MITCHELMORE, Deputy Editors • SAMUEL ABT and CARL GEWIRTZ, Associate Editors • ROBERT J. DONAHUE, Editor of the Editorial Pages
• JONATHAN GAGE, Business and Finance Editor
• RENÉ BONDY, Deputy Publisher
• JAMES McLEOD, Advertising Director • DIDIER BRUN, Circulation Director.
Directeur de la Publication: Richard McClean

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel.: (1) 41.43.93.00. Fax: Subscriptions, (1) 41.43.92.10; Advertising, (1) 41.43.92.12; News, (1) 41.43.93.38.
Internet address: http://www.iht.com E-Mail: iht@iht.com
Editor for Asia, Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel. (65) 472-7768. Fax: (65) 274-2334
Mng. Dir. Asia, Rolf D. Krauepuhl, 50 Gloucester Rd., Hong Kong. Tel. 852-2922-1188. Fax. 852-2922-1190
Gen. Mgr. Germany: T. Schluter, Friedrichstr 15, 60323 Frankfurt/M. Tel. +49 (69)97125-0. Fax: +49 69/97125-0
Pres. U.S.: Michael Conroy, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Fax: (212) 755-8785
U.K. Advertising Office: 63 Long Acre, London WC2. Tel. (171) 836-4802. Fax: (171) 240-2254
S.A.S. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337
©1997, International Herald Tribune. All rights reserved. ISSN: 0294-8052.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Martyrs' Death

ST. PETERSBURG — Seventeen bodies of hermits were discovered near Tiraspol. The individual suspected of having walled them in a cellar explained that he belonged to the same sect. He said his act was prompted by the ardent wish of these fanatics to die a martyr's death to purge themselves of their sins in view of the approaching end of the world, which they had been persuaded was imminent by an astronomical prediction of a comet in 1897.

1922: 'Universal Ear'

PARIS — Failures of specially devised "universal languages" to become universal have been due mainly to the fact that they have not been indispensable to the happiness or convenience of mankind. That indispensability may become a reality through the extension of the use of wireless telegraphy and telephony. It is the destiny of these new means of disseminating knowledge, opinion and entertainment to encompass the entire world. An infinitude of labor would be required to put a message designed for the universal ear into all languages of the globe.

1947: German Marches

BERLIN — All foreign observers at the "second parliament of the Free German Youth Movement" for the Soviet Zone were struck by the resemblance of that organization to the Hitler Youth Movement. Two American Military Government officials were "hit very hard" with the spectacle of 2,000 young people of both sexes marching in military formation with banners flying through the streets. In the American Zone such parades are considered to constitute violations of the directive against German para-military formations.

OPINION/LETTERS

For NATO Expansionists, A Lesson From History

By Ronald Steel

NEW YORK — Fifty years ago, the Marshall Plan united — but also divided — Europe. In editorials and commencement addresses we celebrate it today as an unparalleled act of enlightened generosity.

That it was. Through an infusion of American money, much of Western Europe was restored to prosperity and democracy.

But it is wrong for Clinton administration officials and their supporters to extol the Marshall Plan as a model for an expanded NATO, as they are now doing. We forget that the earlier creation, as the price of its success, helped sunder the strained links between the two parts of the continent, Eastern and Western Europe.

Given a similar effort to unite more of Europe today, the United States may actually be sowing the seeds for another partition between Russia and the West — only this time the division will be wholly unnecessary.

In 1947, when American officials put together the economic recovery program for a war-devastated Europe, they faced a terrible dilemma: What to do about Russia? To bring the Soviet Union into the Marshall Plan would greatly complicate the efforts to revive capitalist economies in Europe, provide markets for American exporters and construct a trans-Atlantic free-trade system.

Yet to exclude the Soviet Union, to create two rigidly opposed economic and hence political systems in Europe, would be to reinforce the very "iron curtain" that officials had inveighed against.

George Kennan, the official in charge of formulating the Marshall Plan, argued that the Russians had to be invited to participate. If they were not, the United States would be blamed for seeking to divide Europe.

He cleverly resolved the problem by leaving the door open to the Kremlin, but imposing such rigid economic conditions that Stalin would likely turn down the offer for fear of weakening Russia's hold over its satellites. Ultimately, that is what happened. The Russians stalked out of the planning talks and took the Eastern European states with them.

Europe was divided in two and would remain that way for 40 years. It was the Soviet Union that put up the barricades and thus bears the greatest responsibility. But its actions, though brutal, were not irrational.

As Mr. Kennan himself later wrote, the Communist coup in Czechoslovakia and the blockade of Berlin "were defensive reactions on the Soviet side to the initial success of the Marshall Plan" and the decision to set up an independent West German state.

Is there a lesson in this story for the present? Soviet Russia, consumed by dogma and ruled by a paranoid dictator, bears little resemblance to the democratizing, free-market Russia of today.

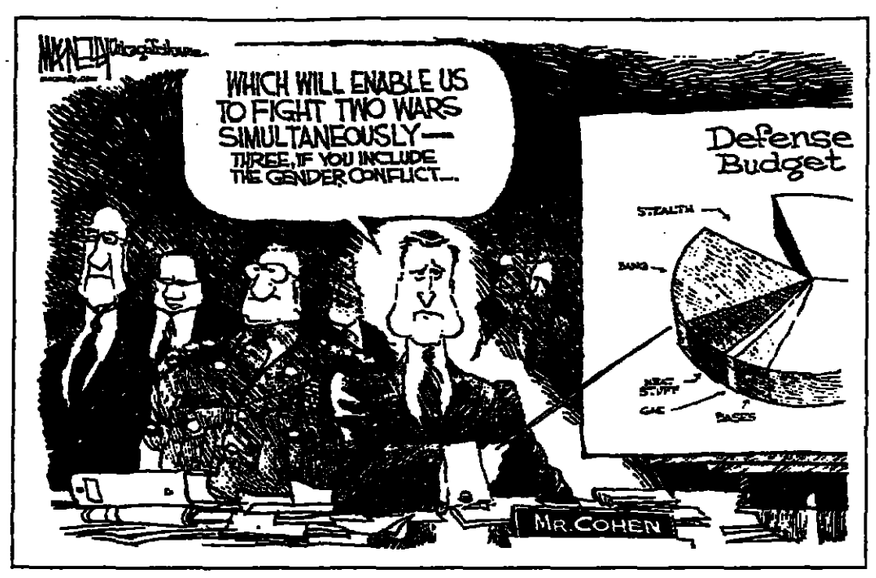
Except for one thing: Both are Russian. Each has a history of authoritarianism, of heroic repulsions of invasions from abroad; of attraction to and fear of the West and of a determination to be a power in the world commensurate with its cultural greatness.

Russia also, indeed eternally, is both a part and not a part of Europe. American policymakers, in an effort to expand economic institutions and Cold War alliances, declare that the United States is a "European power." But this is more true of Russia, and efforts to deny this fact will inevitably have unhappy consequences.

Instead of invoking the Marshall Plan as a slogan, the Clinton administration should draw a lesson from it. Living in a time of danger, the architects of the Marshall Plan were prepared to pay its costs because they believed they had no other choice. Today's NATO expanders in Washington are driven not by fear, but by a combination of ambition and opportunism. They want to build an enduring structure, in emulation of their illustrious forebears, and to leave a legacy that will outshine that of their intellectual predecessors.

But the legacy they leave could be far different from the one they imagine. Their predecessors opened up a door that Stalinist Russia refused to enter. Today's leaders are locking a door that democratic Russia is knocking on, hoping for admission.

The author, a visiting professor of international affairs at George Washington University, is the author of "Temptations of a Superpower." He contributed this comment to The New York Times.



LETTERS TO THE EDITOR

No Panic in Hong Kong

George Hicks *("Hong Kong: New Wrench in the U.S.-Sino Works," Opinion, April 30)* is correct in arguing that Hong Kong is rapidly becoming the new spoiler in Sino-American relations. He is quite wrong, however, in asserting that Beijing's pledge to seat a new, undemocratically selected "provisional" Legislative Council is the key issue in this unfolding drama. Like it or not, the provisional council is a done deal. Here in Hong Kong this has been almost universally, albeit grudgingly, accepted as a fact of life. Only in the U.S. Congress does it remain a pulse-quickening matter of contention.

Many here blame the outgoing governor, Chris Patten, for forcing China's hand by unilaterally attempting to change the electoral rules of the game, increasing the number of democratically elected council members after the ink was dry on the Sino-British Joint Declaration of 1984. Whatever Mr. Patten's motives, and most here consider them to have been generally lofty, his high-stakes gamble — that China would sit still for such an eleventh-hour rule change — failed, and the people of Hong Kong will pay the price of that failure come July 1.

Of more immediate and pressing concern to people here is a series of new restrictions on the rights of various local "societies" (or interest groups) to freely express their points of view and to maintain contact with counterpart groups overseas. Although a serious enough issue, this too has been subject to misinformation and miscommunication within the U.S. Congress and the mass media.

While the restrictions, issued by the government-in-waiting of Chief Executive Tung Chee-hwa, are certainly disturbing, they are hardly draconian, as some have charged. The real concern is not that they will dramatically destroy freedom of speech and assembly in Hong Kong at one stroke, but that they may turn out to be the first small slide down a slippery slope of governmental efforts to control and manipulate the expression of opinion.

RICHARD BAUM.
Hong Kong.

'Duff's Ditch'

I watched with fascination and satisfaction over the last several weeks as a story did *not* unfold in the news.

Last month, the world heard of the devastation along America's Red River, especially in Grand Forks, North Dakota. Next in the swollen river's path was the Canadian city of Winnipeg, a metropolis of more than half a million people. But there the story ended. No news, in this case, was great news.

In 1950, Winnipeg suffered the most damaging flood in the city's brief history, causing considerable damage and dislocation. The flood of 1997, which flowed silently past (and around) the city last month, was some 30 to 40 percent larger than the 1950 flood.

What made the difference? The answer is "Duff's Ditch," the nickname for the Red River Floodway, designed by engineers in the 1960s and approved for construction by Manitoba's prime minister at the time, Duff Roblin. The floodway — for which more earth was moved than any other project in the Western Hemisphere except the Panama Canal — has justified its construction costs by sparing Winnipeg from this year's flood.

As a young civil engineer I worked on the model studies of the Red River Floodway under the supervision of Professor Ed Kuiper, a visionary hydraulics engineer who strongly promoted the project. I say hats off to Professor Kuiper and to Duff Roblin, and I'm sure I am joined by most Winnipegers.

MARSHALL GYSI.
Lausanne, Switzerland.

The writer is managing director of the International Federation of Consulting Engineers.

Mr. Marshall's Hint: Why It Was Missed

By John T. Bethell

WASHINGTON — George Marshall's commencement speech to alumni at Harvard University got thin coverage in the press, and the few reporters who saw its news value received scant support from their superiors and the Department of State.

Stephen White, then an editorial writer for the New York Herald Tribune, was the only out-of-town newsman to cover the speech — and that was a bit of a fluke. In a casual breach of institutional secrecy, J. Robert Oppenheimer had confided to Mr. White, an old friend, that he was going to receive an honorary degree at Harvard in June. "You ought to come," said Mr. Oppenheimer, adding that on the evening before commencement he would be dining "with Jim Conant, George Marshall and T. S. Eliot."

MEANWHILE

Mr. White arranged to attend the exercises. "Since the Trib was paying my way, I felt an obligation to file some kind of story," he recalled 40 years later. "Wandering into the university's press room, I asked who was to be the principal speaker. Marshall. I asked for a copy of his speech. It was duly produced. I asked if there was anything in it. 'Nothing of any importance,' I was told. 'A routine commencement speech.'

"*I then sat down, read the* speech and proceeded immediately to a telephone, where I called George Cornish, managing editor of the Trib. 'General Marshall,' I said, 'has just offered to rebuild all of Europe, including the Soviet Union. I'll file full text right away, and a story after hearing the speech.'

"'Hold on,' George said. And then, 'Call back in about half an hour.' Which I did.

"I was told that George had called Tom Twitty, who covered State for the Trib; that Tom had called Mike McDermott, press spokesman for State, and that Mike had assured him that the speech was merely a routine commencement address and hardly worth our attention. Under the circumstances, said George, I needn't bother filing full text — routine coverage was all that was called for. I remonstrated as forcefully as I could, until finally George yielded somewhat. Write as much as you want, he said, and quote as extensively as you need to. But no full text.

"I left the phone and went back to the Yard. There I ran into Frank Kluckhohn, Boston bureau man for The New York Times. 'You will never believe what just happened to me,' he said. What had happened to him was, stroke for stroke, precisely what had happened to me. State had told the Times, too, that there was *no story*."

Later that afternoon I ran into The Associated Press man, and asked to see his 'black sheet' — the carbon of the story he had filed. The first paragraph reported that President Conant had announced a massive fund drive. The second paragraph expatiated on the first. The third paragraph reported that General George C. Marshall also spoke, among others."

The lead paragraph of Mr. White's story stated that Marshall had proposed a program to rebuild Europe. The next day, the Times ran a brief follow-up, headlined "Mr. Marshall's Hint." Both newspapers published Marshall's full text some days later.

Mr. White concluded in retrospect that the strategy of Marshall and his State Department advisers had been to dodge the kind of publicity that might beget hostile reaction in Congress. "And if that's what they wanted," he wrote, "*that's what they got.*"

The most enterprising job of coverage was done by the BBC and its Washington correspondent, Leonard Miall. Having procured an advance text of Marshall's speech from the State Department that day, Mr. Miall recorded excerpts to be broadcast from London the following evening. Tuning in at 10:30 P.M., on June 5, the British foreign secretary, Ernest Bevin, thought at first that he was hearing the speech live.

Because the British Embassy in Washington had forwarded a summary of the Marshall proposals by surface mail, the BBC gave Bevin a head start in laying the groundwork for a unified European response.

The author was editor of Harvard magazine from 1966 to 1995. A version of this article from The Washington Post appeared in Harvard magazine's May-June issue.

BOOKS

READING IN THE DARK

By Seamus Deane. 272 pages. $23. Alfed A. Knopf.

Reviewed by
Richard Eder

IT begins, puzzlingly, with a series of disconnected childhood memories from the 1940s in Derry, in Northern Ireland. The little boy's mother senses an invisible presence on the stair's landing and sobs inconsolably. An aunt tells a frightening ghost story of a brother and sister who drive their nanny mad by exchanging features — hair, eyes, smile, even gender — with each other.

The kindly, mournful father, a shipyard worker, takes the boy and his brother for a seaside walk and points out a patch of turf overhanging the cliff's edge that the birds seem to avoid. It is, he says, "the land of the disappeared."

Less mistily, there is his glimpse of a neighbor run over by a van, a policeman vomiting while getting the body out and, later, the inevitable neighborhood rumor that it was the police who were driving the van. There is a violent standoff between the police and the Catholics on St. Patrick's Day, and fireworks and booming drums on the Protestant marching days.

There is the rough interrogation of the family after the boy sneaks a pistol out of his father's bureau and shows it to a friend. There is the mystery of why the father, whose long-vanished brother fought in the IRA, was not arrested for possessing the weapon.

These scenes and others make an initial blur, but it is the blur of a film developing. Gradually it takes on a fearful, unforgettable clarity. The Northern Irish poet Seamus Deane devises as a fictional memoir the web of legend, secrecy and obsession with betrayal that choked and still chokes the history of his country.

It is the story of a Catholic family and its beleaguered community. It looks back to the 1920s and the beginning of Irish partition and leads up into the 1970s. In a larger sense, it is a story of the intractability of civil division, the crippling, ineradicable energies of defeat and the twin curse of too much remembering and too much silence.

These are devastations, but "Reading in the Dark" evokes them not as rhetoric but as the moth holes and rotted-out pieces in the fabric of one family's life. We would not be so enthralled and moved if Deane had not evoked the life itself with so much humanity, delicacy and fierce wit. Yeats's "terrible beauty," a cliché by now, could have been waiting for this near-magical book to arrive.

The darkest devastation in the family is its secrets. The book begins with ghosts and mysteries as a 6- or 7-year-old might apprehend them. It continues with an obstinate search for answers when the same boy achieves the fearsome lucidity and utter lack of caution of a 12-year-old. The search takes him up to 19 and 20, when, knowing the answers, he begins to know the moral and intellectual ambiguity to which all answers lead.

THE damage that half-destroys the mother, a brave and loyal woman, and the father, a man of simplicity and kindness, is not so much the secrets themselves as the fact that he knows only the first of them and she comes to know them all. The beauty of Deane's lament — as is true of Frank McCourt's Irish childhood memoir, "Angela's Ashes," a lovely but smaller work — is that it is not told as such. The narrator speaks with all the vitality, the appetite for life and discovery and the pleasurable distractibility of his age. Those news shots of children playing, soccer in some bombed-out ruin may spell tragedy, but the thunk of each kick is young nature's irrepressible high spirits.

Some of the book's high spirits go to depicting the classes at the boy's school, taught by priests. They are arrogant and sarcastic; they use wit, word play and the unconditional authority they possessed back in the 1950s to prevail over their charges. It is a familiar kind of scene by now, going back at least to the whiplash classroom thundering in James Joyce's "Portrait of the Artist as a Young Man" and reworked by Catholic writers ever since.

There is a difference here. For one thing, the boys are not cowed. They stand their ground and score an occasional point — one, for example, in a wonderfully kinked duel in algebra class and another in religion. It is as if they were enduring tennis instruction from a vastly superior player, victims of verbal smash-shots but growing in their own proficiency. For another thing, the priests are presented with complexity as well as wit.

Deane gives a nuanced portrait of the Catholic Church in Northern Ireland at midcentury. Belligerent and constricted, it played a role in holding together and restraining the minority community.

As he reaches adulthood, the boy achieves his tragic truth. As he does, there is a pivotal scene that elevates "Reading in the Dark" beyond brilliance. Looking at his mother and father grown old, he realizes that the truth that would ease them would also destroy them. From deliverer of secrets he grows up to become their guardian.

Richard Eder is on the staff of the Los Angeles Times.

BEST SELLERS

New York Times
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

This Week		Last Week	Weeks On List
1	PRETEND YOU DON'T SEE HER, by Mary Higgins Clark	1	5
2	THE PARTNER, by John Grisham	2	11
3	THE RANCH, by Danielle Steel	3	6
4	MASON & DIXON, by Thomas Pynchon	4	2
5	OUT TO CANAAN, by Jan Karon	7	4
6	THE NOTEBOOK, by Nicholas Sparks	6	31
7	THE GOSPEL ACCORDING TO THE SON, by Norman Mailer	9	3
8	SNOW IN AUGUST, by Pete Hamill		1
9	OH, THE PLACES YOU'LL GO!, by Dr. Seuss		154
10	EVENING CLASS, by Maeve Binchy	15	12
11	THE WAITING TIME, by Eugenia Price		1
12	THE NIGHT CREW, by John Sandford	5	5
13	AFFAIR, by Amanda Quick	8	4
14	CHROMOSOME 6, by Robin Cook	12	8
15	THE CELESTINE PROPHECY, by James Redfield	14	162

NONFICTION

1	MOTHERS & DAUGHTERS, by Carol Saline and Sharon J. Wohlmuth	5	4
2	JUST AS I AM, by Billy Graham	4	2
3	ANGELA'S ASHES, by Frank McCourt	1	36
4	UNDERBOSS, by Peter Maas	2	4
5	INTO THIN AIR, by Jon Krakauer	3	3
6	WITHOUT A DOUBT, by Marcia Clark with Teresa Carpenter		1
7	DAUGHTERS & MOTHERS, by Lauren Cowen and Jayne Wexler		1
8	CONVERSATIONS WITH GOD; Book 1, by Neale Donald Walsch	6	23
9	PERSONAL HISTORY, by Katharine Graham	10	15
10	LOCKED IN THE CABINET, by Robert B. Reich	7	4
11	CONVERSATIONS WITH GOD; Book 2, by Neale Donald Walsch	13	2
12	MIDNIGHT IN THE GARDEN OF GOOD AND EVIL, by John Berendt	9	149
13	THE GIFT OF PEACE, by Joseph Cardinal Bernardin	11	16
14	DOWN IN THE GARDEN, by Anne Geddes		13
15	THE MILLIONAIRE NEXT DOOR, by Thomas J. Stanley and William D. Danko	8	18

ADVICE, HOW-TO AND MISCELLANEOUS

1	SIMPLE ABUNDANCE, by Sarah Ban Breathnach	2	59
2	EIGHT WEEKS TO OPTIMUM HEALTH, by Andrew Weil	3	10
3	SUCCESS IS A CHOICE, by Rick Pitino with Bill Reynolds		5
4	KIDS ARE FUNNY, from "The Rosie O'Donnell Show"	1	5

LIVING IN THE U.S.?
Now printed in New York for same day delivery in key cities.
To subscribe, call
1-800-882 2884
(in New York, call 212-752-3890)
Herald International Tribune
THE WORLD'S DAILY NEWSPAPER

How do you find a traditional French chateau in Hong Kong?

Turn to
THE INTERMARKET

Wherever you are in the world, buying or selling, letting or leasing, you can meet at the IHT's Intermarket.

Featuring two pages of classified advertising, the Intermarket appears every Monday, Wednesday, Friday and Saturday. If you're in the market for property, you know where to go.

A great deal happens at The Intermarket.
Call +44 171 420 0348

Herald Tribune
THE WORLD'S DAILY NEWSPAPER

STAGE/ENTERTAINMENT

TOMORROW: HEALTH & SCIENCE

'Othello': Ballet on Opera Scale

By Anna Kisselgoff
New York Times Service

NEW YORK — "Othello," a new, spectacular looking three-act ballet choreographed by Lar Lubovitch to a commissioned score by Elliot B. Goldenthal, is not your usual American Ballet Theatre offering.

"It's like Broadway," a viewer declared while going up the aisle at the Metropolitan Opera House. Actually, it's like off-Broadway on an opera-house scale.

This remark testifies nonetheless to the success of this truly experimental production, which had its world premiere Friday night and was seen again on Saturday with an equally good, even more dramatically integrated new cast.

Depth and characterization are not the strengths of Lubovitch's "Othello." But then again, Shakespeare is a hard act to follow, and Lubovitch, also going back to the 16th-century Venetian tale that was Shakespeare's source, has come up with his own take on things. His Iago is not the embodiment of "motiveless malice," as Coleridge put it. He is a neurotic who finds a hanky dropped accidentally into his lap.

Yet it is not Iago but Lubovitch, with his whirlpool of passionate choreography, and Goldenthal with his unabashedly dramatic score, who set the action in motion. Whether with Desmond Richardson, one of America's most powerful dancers, seen as a magnificent Othello in the first cast, or a more nuanced second cast headed by Julie Kent and Keith Roberts, this "Othello" is a grand evening in the theater.

Major credit must go to the world of glass that George Tsypin has conceived onstage through his extraordinary decor. His mobile slabs of cracked glass (actually plastic) are eventually reduced to an abstraction of a glass bed and an open space, a killing ground. With Wendall K. Harrington's slides of Venice and a turbulent sea and sky, this "Othello" has a visual impact rarely seen in ballet. To compare this production to Broadway is not necessarily a kiss of death in the hot-house world of classical ballet; it is a tribute to a genuine artistic collaboration.

"Othello" will return for a brief run from June 24 to 26. Anyone interested in seeing how offbeat artists work in an establishment setting, not to speak of anyone interested in superb dancing, should see this "Othello." For despite its opera-house scale, there is an experimental tenor here that full-evening narrative ballets from Europe do not have.

Sara Krulwich/The New York Times

Sandra Brown and Desmond Richardson in "Othello."

Essentially, this is a downtown team of collaborators working uptown. Lubovitch is a modern-dance choreographer long accustomed to working in ballet and has also choreographed Broadway musicals. Goldenthal's film scores ("Interview with the Vampire") do not preclude work in the classical field and in experimental theater ("Juan Darien," "The Green Bird").

Tsypin is equally at home anywhere in the world in theater and opera, including Peter Sellars' "Death of Klinghoffer." A similar range comes from Ann Hould-Ward, one of Lubovitch's favorite costume designers; Pat Collins, the lighting designer, and Harrington.

THE combined result is bold and free of the conventions common to other three-act narrative ballets. The British and the Russians have led the way here since World War II; many American companies (including Ballet Theatre) have imported a "Romeo and Juliet" or imitated one from a European model. Usually these ballets are based on classical sources.

What is unusual but not without precedent is that this American production has an original score. Goldenthal will be accused of sounding like Prokofiev in his first act, but actually he owes much more to the "Fall River Legend" of Morton Gould. Melodrama is not beneath him, especially shrieks of sound that connote emotional anguish. But he can also, despite his fondness for drums, subside into quiet lyricism. There is a wonderful turbulence about the score when it gets worked up, and it is very much on Lubovitch's wavelength.

For all the Renaissance costumes and the fact that Desdemona and Emilia are on toe, the choreography is imbued with Lubovitch's modern dance signature style: a surge of movement that sweeps its dancers along into lifts or waves and eddies around the stage.

The corps thus becomes a major player, so to speak. The mood in the first two acts is signaled by crowd patterns. Othello and Desdemona's wedding, beautifully staged with two children also acting as their symbolic surrogates, is celebrated in Act I by a ball and a carol, or circle dance. This round dance, glimpsed through glass arches and pillars against a Titian-like slide projection, could have come out of a medieval illuminated book. The ball, however, is almost a parody of the courtiers in the "Romeo" ballets. There is sound and fury as the men beat their fists in the air and the women drop at their feet.

Like the aristocrats, the common folk who celebrate the return of Othello's ship (anchored stunningly by curved ropes across the stage) in a bawdy flex-footed tarantella, telegraph Lubovitch's main theme: namely that Desdemona and her attendant, Emilia, are part of a society whose men are wife abusers.

To reduce any "Othello" to just that idea is cheap. Lubovitch does not do this, but Emilia gets yanked around by Iago, and Desdemona is clearly helpless. In Act III she appears, startlingly, resigned to her death. Emilia gives her a cross (which leads into her only big solo) and she prepares ritualistically for her fate.

That Othello loves her as he kills her is symbolically telegraphed in their lovemaking; tenderly he ties the white handkerchief around her neck and seems to hold its ends until Desdemona goes limp with him in a spin.

Othello's suicide by dagger is even more dramatically timed. But every so often the main characters disappear into the crowd. It is clever of Bianca, portrayed fetchingly by Christina Fagundes as a street dancer, to slip the handkerchief into Cassio's jacket in the midst of the tarantella.

Pat Lam/Explorer

Ravaged by the Cultural Revolution and largely ignored by today's youth, Peking Opera is struggling to survive.

The Vanishing Peking Opera

By Henry Chu
Los Angeles Times Service

BEIJING — Just minutes into "Farewell My Concubine," the Oscar-nominated film chronicling the lives of two Peking Opera stars, a strict old master lays down a sweeping claim. "If you belong to the human race, you go to the opera," he declares to his overworked, oft-abused young apprentices. "If you don't go to the opera, you're not a human being."

Judging by that standard, humanity is on the verge of dying out in this country of 1.2 billion people, for Peking Opera — the sumptuous concoction of fabulous costumes, painted faces, lyric poetry, percussive music and jaw-dropping acrobatics — is locked in a tumultuous struggle to survive.

Ravaged by the 1966-76 Cultural Revolution and largely ignored by today's youth, Peking Opera is fast disappearing from the stages it once ruled throughout China. Its audience is dropping by as much as 5 percent a year, by one estimate. If the trend continues, experts fear, one of the world's great art forms for two centuries is in danger of vanishing within a generation.

With it would go one of the primary means by which the oldest civilization on Earth has handed down legends and values from its 5,000-year past. Through fantastic tales of everything from military conquests to the antics of the mischievous Monkey King, the genre has passed on Chinese history, cosmology and literature to untold millions since the Qing dynasty.

But the art's most avid patrons, the elderly, are dying off. China's young have shoved it aside in favor of jazz and pop music. Theaters and opera schools across the country — similar to the harsh institution portrayed in "Farewell My Concubine," where boys were schooled and beaten — have boarded up their doors since the disastrous Cultural Revolution. Actors who have trained since childhood to perfect their demanding craft now eke out threadbare existences.

Here in the cradle of Peking Opera, where each of the capital's 18 districts once boasted its own performing troupe, only a single local repertory remains. Few companies mount complete operas any longer, unable to make enough money to pay the bills. "No performance, no debt," as a saying goes.

As Peking Opera's fortunes decline, the verdict of Fan Minbo, a Beijing computer engineer, seems to ring truer by the day. "Its time is over," Fan, 29, says of the art form. "We've got to have new art for a new age. That's how society progresses."

Opera aficionados disagree, and are fighting hard to arrest — if not reverse — the decline through outreach and education programs. Even the central government has recognized the gravity of the situation, establishing a national Committee to Revitalize Peking Opera and sponsoring festivals and competitions. State-run television broadcasts nightly episodes of classic performances, while some theaters have beefed up their productions with special effects and shortened story lines to attract tourists and young people — an effort that has been blasted by critics.

"It cannot die out," asserts Luo Zheng, a psychology professor at Beijing University who has pioneered a campaign to cultivate awareness and appreciation of the form among young Chinese. "But it cannot be restored to its former glory."

WHAT turns off many Westerners and younger Chinese from Peking Opera delights its older fans: the high-pitched, almost whiny singing; the cacophony of cymbals and clappers; the heavily stylized movements; and the bountiful symbolism, by which the slightest gesture on the nearly naked stage conveys meaning or action. Point to your temple, and you show your bashfulness. Walk in a circle, and you've taken a long journey.

"No sound is but a song, no movement is but a dance," an opera star instructs his acolytes in "Farewell My Concubine."

The movie, directed by Chen Kaige, blasts what everyone agrees is the single greatest source of devastation to Peking Opera in modern times: Mao Zedong's Cultural Revolution. Denounced as decadent and reactionary, Peking Opera was commandeered by Mao's wife, Jiang Qing, who forced actors to don workers' garb and perform only eight contemporary "model operas" about class and anti-imperialist struggle. Actors were persecuted if they did not comply.

By the time the Cultural Revolution ended, the loss to Peking Opera was incalculable: an entire generation of young people, many of them former Red Guards, who had received no exposure to the art or, worse, openly trashed it.

"Peking Opera is an art with historical and literary components, an integrated art," said Luo at Beijing University. "But in the Cultural Revolution, you lost so much of that. If you want the generations who grew up during the Cultural Revolution to appreciate Peking Opera, they have to make up all the lessons they missed in history and literature."

Before the opera could reclaim hearts and minds, however, it was swamped with competition from Western pop culture, which flooded China after the country's social and economic liberalization in 1979. Now, movies, rock concerts and karaoke bars draw millions of young Chinese on the weekends, leaving Peking Opera theaters empty of new blood.

"They think that it's something their grandpas and grandmas like, so they shouldn't," said Wang Xiaofeng, a writer with the state-sponsored bimonthly magazine China Peking Opera. "Ask them if they've ever seen one, and they'll say no."

"Young people are more materialistic. They want to make money," said Sun Yumin, director of the Beijing Traditional Opera Academy. The prestigious campus, once solely an operatic training ground, is now a general arts academy open to aspiring painters, sculptors and ballet dancers.

In fact, there are no schools left dedicated exclusively to Peking Opera, whereas there used to be several 40 years ago, opera buffs say. Then, talented youths were plucked from early childhood to prepare for a life on the stage, passing through an arduous training that involved practice from morning to night, under threat of the whip, to master disciplines from singing to dancing to martial arts.

Now, persuading students to enroll in an arts academy for the required seven or eight years of training can be difficult. "In Peking Opera, you don't make much money, and it involves sacrifices," Sun said. "So young people don't last long."

Puccini in an Unfamiliar Setting

By Henry Pleasants
International Herald Tribune

GLYNDEBOURNE, England — Glyndebourne Festival Opera has launched its new season with Puccini's "Manon Lescaut," an odd choice. Glyndebourne has never been a Puccini house. Only one other of his operas has been heard there. That was "La Boheme," produced in 1967 and revived in 1978 without conspicuous success.

The choice of "Manon Lescaut" is not the only oddity about this season's inaugural. Also odd is the choice of John Eliot Gardiner, heretofore associated famously with the likes of Monteverdi, Gluck and Rameau, as conductor.

Nor was "Manon Lescaut" the ideal choice for his introduction to Puccini. First performed in 1893 in Turin, it was Puccini's third, and first successful, opera. It established him as a composer to be reckoned with, but was soon eclipsed by "La Boheme," "Tosca" and "Madama Butterfly."

Like Giordano's "Fedora," it has survived fitfully on the fringes of the repertoire only when singers were on hand who could make it sound a better opera than it is. At its premiere at the Met in 1907 it was sung by Caruso, Cavalieri and Scotti. The title role subsequently became a favorite of Lucrezia Bori, partnered by Caruso and, after his death, Giovanni Martinelli.

Glyndebourne is not the place to look for a Caruso, a Bori or a Scotti. At last week's season opening, the young American tenor, Patrick Denniston, the young Romanian soprano Adina Nitescu and the young Italian baritone Roberto di Candia all sang well and acted well, but it was not enough to redeem the failings of a hodgepodge libretto that leave Puccini's treatment of the subject so inferior to Massenet's.

Nor were they helped by Graham Vick's stage production and Richard Hudson's stage designs. Designs? Four bare walls; nothing in Manon's luxurious boudoir in Act 2 but an oversize bed and a grotesquely elongated mirror; no sign of a ship at Le Havre in Act 3 until a gangplank is suddenly plunged out of a wall. The opera is played in period costumes. They need a period setting, and don't have it.

The London Philharmonic in the pit plays well under Gardiner's firm and solicitous hand without ever sounding quite — well, Puccinian.

More appropriate fare is in store. The festival continues through Aug. 24. "Manon Lescaut" remains in repertoire through July 12. The other new production will be Rossini's "Le Comte Ory." There will be revivals of Mozart's "Le Nozze di Figaro," Britten's "Owen Wingrave," Janacek's "The Makropulos Case" and Handel's "Theodora."

The European Index Conference 1997

The Euro & The Exchanges: Implications for Multinationals and Financial Markets

The Grand Hotel, Amsterdam, June 20

This conference, timed to follow the Amsterdam Summit, which marks the end of the Dutch Presidency of the EU, will debate the Euro's potential impact on multinationals and financial markets.

Speakers include

Paul Aaronson, *Executive Director*, Morgan Stanley & Co. Int'l Ltd.
Peter Jay, *Journalist, writer & broadcaster*
Jan Michiel Hessels, *Chief Executive Officer*, Vendex International N.V.
Jean Frijns, *Chief Executive*, ABP
Gordon Bagot, *Director, Head of Research & Consultancy*, WM Company
Andrew Skirton, *Chief Investment Officer*, Barclays Global Investors
Michael Gardner, *Director*, F.T.S.E. International
Angelien Kemna, *Director of Equity Investment*, Robeco Group
Piet Veldhuisen, *Head of Mutual Funds*, Generale Bank N.V.
Johan Groothaert, *Client Strategies Group*, Merrill Lynch International
Lars Nielsen, *Professor of Finance*, INSEAD
Onno Vriesman, *Client Strategies Group*, Merrill Lynch International
Peter Stanyer, *Performance & Risk Management*, Mercury Asset Management Group PLC
Richard Pagan, *Bonds & Equities Portfolio Analysis*, Salomon Brothers International Ltd.
Bill Stack, *Chief Investment Officer, Global Equities*, Dresdner RCM Global Investors

For further information on how to register for this event, please contact:
Ursula Lewis, International Herald Tribune, Conference Office, 63 Long Acre, London WC2E 9JH
Tel. (44 171) 836 4802 Fax: (44 171) 836 0717 E-mail: ulewis@iht.com

AEX AMSTERDAM EXCHANGES
International Herald Tribune THE WORLD'S DAILY NEWSPAPER
The Netherlander

FONDATION FORUM DU MONTANA UNIVERSALE

THE CRANS MONTANA FORUM
SWITZERLAND - VIII yearly meeting
The Foundation enjoys the Consultative Status to the Council of Europe
1997, JUNE 26 to 29

INFRASTRUCTURES AND FINANCING !

The Crans Montana Forum offers an exclusive business meeting devoted to the development and the financing of infrastructures in over 60 countries of the highest interest

All issues related to ports, airports, motorways, energy transport and supply, telecom, housing, tourism, logistics and distribution, financial services and foreign investment will be debated

The Crans Montana Forum is the only Forum with a strictly limited access where you can really meet governmental representatives, officials and decision makers (including International Organisations).

Apart from the traditional participation of Europe - Western, Central and Eastern - Central Asia and the South Mediterranean - over 60 countries represented - the 1997 Forum welcomes also top level delegations from Egypt, Estonia, Kirghistan, Lebanon, Morocco, South Africa, Turkey and Caucasus States (headed by the Head of State, Head of Government or top level members of the Government) with the key decision makers in the main economical fields

Information and Registration:
phone (+41 22) 791 70 40,
fax (+41 22) 791 70 41,
e-mail:http://www.cmf.ch

هكذا من الأصل

Herald Tribune (International)

BUSINESS/FINANCE

R

WEDNESDAY, MAY 28, 1997

Baby Bell And AT&T Said to Talk

Potential Deal's Value Is Put at $50 Billion

Compiled by Our Staff From Dispatches

NEW YORK — AT&T Corp. and SBC Communications Corp. are holding talks to combine their operations in a deal that would effectively reunite local and long-distance phone service, sources told The Associated Press on Tuesday.

The talks were described as "serious," but there was no indication a deal was imminent, the source said.

A merger, which the source valued at $50 billion, would be the first joining of AT&T and any of the regional Bell operating companies since the breakup of the former American Telephone & Telegraph Co. monopoly in 1984.

The combined company would have $80 billion a year in revenue, 230,000 workers, 60 percent of the $80 billion long-distance market and virtual control over local phone and wireless services throughout the Southwest and California.

"The main purpose of such a merger would be to address the local market," said Graham Finnie, an analyst at Yankee Group Europe. "The companies need to have a wide portfolio of products and services spanning local to long distance."

Any proposed combination of the two companies would face numerous challenges from regulators and competitors, the source said, speaking on condition of anonymity. In Washington, Justice Department antitrust attorneys said they had no additional information on a potential deal.

SBC had no comment, a spokesman said Tuesday in San Antonio. SBC is the holding company for two regional Bells — Southwestern Bell and Pacific Telesis Group — that provide local phone service to seven of the 10 largest U.S. cities.

An AT&T spokeswoman said: "As a matter of policy, we don't comment on rumors or speculation about mergers, acquisitions, divestitures or other business combinations."

AT&T shares ended at $37.375 in New York trading, up $1.25. SBC shares closed 75 cents higher at $57.625.

(AP, Bloomberg)

Edward Carreon/The New York Times

John Calley, lured out of his exile from Hollywood six months ago, has helped stage a turnaround at Sony.

Sony Pictures' New Boss Strikes Gold

By Geraldine Fabrikant
New York Times Service

NEW YORK — John Calley might seem an unlikely choice to run a major movie company in the late 1990s. Mr. Calley, eager for a more mellow life style, left Hollywood in 1980, living first as a virtual hermit on Fishers Island, New York, in Long Island Sound and then in rural Connecticut, reading lots of books but rarely watching television or movies.

To stave off restlessness, he did produce a few films independently, including the Oscar-nominated "Remains of the Day," which was released in 1993.

Mr. Calley did agree in 1993 to step in to spruce up United Artists so that Metro-Goldwyn-Mayer Inc. could sell it — "putting rouge on the corpse," to use his phrase. But he put out only a few films for United Artists, nothing like his fierce tempo two decades earlier, when as a senior Warner Brothers executive Mr. Calley produced a film a month, on average, including commercial successes such as "The Exorcist" and "Superman."

That is why last week, when he took off for Sony Corp.'s annual management meeting in Tokyo, Mr. Calley could scarcely believe the good news he was bearing, just six months after taking over as president of troubled Sony Pictures Entertainment. So far this year, Sony's two studios, Columbia Pictures and Tristar Pictures, have brought in a combined $447 million at the box office — a record pace for the film industry.

The success of movies such as "Jerry Maguire" and "Anaconda" has helped Sony grab 20.7 percent of the U.S.

MEDIA MARKETS

market, and the company is expected to lead the industry in market share for the year on the projected strength of coming big-budget films such as "Men in Black," a science-fiction action comedy scheduled to be released in July.

"It is my life again," Mr. Calley, 66, said of his return to full-time movie making.

It is also an unlikely turnaround for Sony. Just three years ago, the company took an embarrassing $2.7 billion write-off — an admission that Sony's purchase of Columbia Pictures in 1989 and the ensuing reign of profligacy by the film executives Peter Guber and Jon Peters had been a strategic disaster. Alan Levine, a former lawyer whom Sony then gave the task of trying to turn the studios around, lasted only two years before resigning under pressure in November.

That is when Nobuyuki Idei, president of Sony Corp., brought in Mr. Calley in a calculated bet that his maturity and track record would compensate for his having spent so many years on the sidelines. So far, the bet seems to be paying off.

Certainly, Mr. Calley cannot claim much credit for "Jerry Maguire," a Tom Cruise vehicle approved more than a year before he came aboard. But it was Mr. Calley who oversaw last-minute changes in the marketing plans and expanded the promotional budget, moves widely credited for turning a potentially popular film into the blockbuster it has become.

Just as important, he is seen as seeking a new and necessary stability for Sony's movie-making business, which had seen four presidents come and go at Columbia and three at Tristar be-

See SONY, Page 23

Juppe Shows Flexibility Over Criteria for Euro

Who Joins Is 'Political' Matter, He Says

By Alan Friedman
International Herald Tribune

PARIS — Prime Minister Alain Juppe, showing a new flexibility, said Tuesday that the decision about which countries launch Europe's planned single currency would be "political" and that the conditions for membership need not be applied rigorously.

In making the statement on French radio, Mr. Juppe contradicted Germany's position on the conditions required for monetary union and stepped back from his own previously orthodox view about the need for rigor in meeting Europe's single currency conditions.

A government insider said that Mr. Juppe, stung this week by an electoral defeat, was trying to reassure French public opinion that not too much more sacrifice would be needed to satisfy the terms of the Maastricht treaty. Following a strong electoral showing by the opposition left, Mr. Juppe announced Monday that he would resign from office even if his governing center-right coalition manages to retain power in the Sunday runoff elections.

In the past Mr. Juppe has frequently stated, in unison with Finance Minister Theo Waigel of Germany and other German officials, that government deficits must be brought down to 3.0 percent of gross domestic product, the Maastricht target.

But on Tuesday Mr. Juppe for the first time spoke of a more flexible interpretation of the single currency criteria.

"It is obvious," he said, "that a second decimal point will be interpreted with intelligence, and not using rigorous accounting methods."

He said that "rather than arguing about 3.1 or 3.2 percent" it would be more important that as many as possible of the 15 European Union member nations joined in launching the euro.

Mr. Juppe added that when the time comes, next spring, to choose members for the single currency, "the decision will be a political one."

Mr. Juppe's remarks brought him closer to the view of the Socialist leader, Lionel Jospin, whose alliance with the Communist Party achieved a stronger showing than the center-right government parties in the first round of parliamentary elections Sunday. Mr. Jospin has said he favors a more flexible interpretation of the single currency conditions.

Although Mr. Juppe was speaking Tuesday in the context of an election campaign in which the French public is clearly skeptical about further sacrifice for Maastricht, his remarks could have broader implications in Europe.

The German government, already concerned about the prospect of a Socialist-led government in France that included the anti-Maastricht Communists, would not be pleased by Mr. Juppe's talk of a looser interpretation of the single currency conditions, an official in Bonn said Tuesday.

The government of Chancellor Helmut Kohl is itself facing a domestic political struggle as it seeks to make more spending cuts or raise taxes in order to ensure that Bonn achieves a 3.0 percent deficit-to-GDP ratio this year.

Italy, meanwhile, has been the object of scorn among German and other European officials who doubt it will achieve the 3.0 percent target in 1997. A recent European commission report said Italy would end the year with a deficit equal to 3.2 percent of gross domestic product, which would disqualify Rome if the Maastricht treaty were interpreted strictly.

On Tuesday, as Mr. Juppe was noting that it was pointless to argue "about 3.1 or 3.2 percent," Italy's Budget Ministry undersecretary Giorgio Macciotta said Rome's 1997 budget deficit might be 3.2 percent of GDP, or 0.2 percentage points above the Maastricht treaty target.

■ Investors Regain Nerve

French investors recovered their nerve Tuesday after Monday's selling wave, betting that even if the left won the parliamentary election, there would be no radical change in economic policy, Reuters reported from Paris.

The blue-chip CAC-40 index closed up nearly 1 percent after plunging 3.9 percent Monday — its biggest one-day dive in four years — following the left's upset victory in the first legislative round Sunday. Bonds also steadied but the franc retraced its gains in late trading on foreign selling pressure.

Central Bank Lets Czech Koruna Drop

Compiled by Our Staff From Dispatches

PRAGUE — The koruna tumbled Tuesday after the central bank freed the currency from a narrow trading range, and some investors forecast that the currency would be devalued by as much as 15 percent within days.

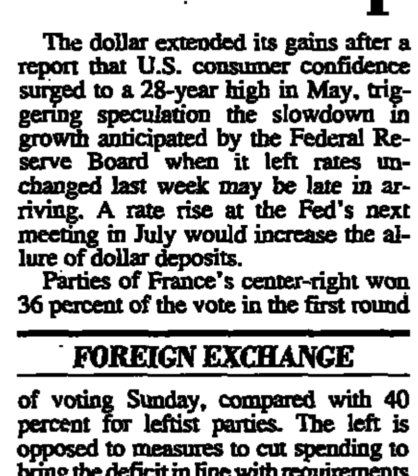
Late Monday, the Czech National Bank eliminated the 15-month-old 7.5 percent band within which the koruna moved against a basket made up of the Deutsche mark and dollar and said the decisive rate for the koruna would be its relation to the mark. No details on how the koruna would shadow the mark were given.

The decision to free the koruna's trading range pushed stock and bond prices higher, while the Czech currency fell sharply. The dollar rose to 33.08 koruny from 30.53 koruny. The Prague Stock Exchange's PX-50 Index, which has declined steadily for three months as investors expressed concerns about the economy and capital-markets regulations, rose 21.10 points, or 4.4 percent, to 499.80.

The koruna has been under heavy pressure recently as speculators took advantage of bulging current-account and foreign-trade deficits to challenge the central bank to intervene. The central bank intervened on several occasions over the past 10 days to buy koruny to support the exchange rate.

Some currency traders said repeated central bank interventions and a choking of market liquidity were untenable in the long run but said the move still took the market by surprise. "It was a bit of an unexpected move," said Pavel Pinkava of Nomura International.

The central bank also raised its key discount rate to 13.0 percent from 10.5 percent Monday.



Petr Josek/Reuters

Prime Minister Vaclav Klaus before talks on the currency.

Meanwhile, Czech citizens, worried that the koruna's fall would erode their savings, crowded local banks to buy foreign currency or open foreign-currency accounts. At a central branch of Ceska Sporitelna, the main Czech savings bank, a clerk said about 1 million koruny ($30,000) of foreign currency had been sold before supplies ran out in the morning. *(Reuters, Bloomberg)*

■ French Left Helps the Dollar

The dollar rose against European currencies Tuesday amid concern that France will dilute the economic requirements for Europe's single currency and as U.S. bond yields rose above 7 percent for the first time in a month, Bloomberg News reported from New York.

The dollar extended its gains after a report that U.S. consumer confidence surged to a 28-year high in May, triggering speculation the slowdown in growth anticipated by the Federal Reserve Board when it left rates unchanged last week may be late in arriving. A rate rise at the Fed's next meeting in July would increase the allure of dollar deposits.

Parties of France's center-right won 36 percent of the vote in the first round

FOREIGN EXCHANGE

of voting Sunday, compared with 40 percent for leftist parties. The left is opposed to measures to cut spending to bring the deficit in line with requirements for joining a single currency. That has led to concern that debt and deficit criteria could be watered down.

At 4 P.M. in New York, the dollar was quoted at 1.7055 Deutsche marks, up from 1.6938 DM on Friday. Markets in New York were closed Monday for the Memorial Day holiday.

The dollar also rose to 116.67 yen from 115.55 yen, to 5.7595 French francs from 5.7085 francs and to 1.4205 Swiss francs from 1.4045 francs. The pound slipped to $1.6311 from $1.6345.

"The dollar appreciated through the day as EMU concern arose from the French elections and as a strong consumer-confidence report reinforced speculation the Fed will raise rates," said Brian Hilliard, an economist at Societe Generale Strauss Turnbull in London.

"Still, one has to be cautious; it doesn't necessarily mean the Socialists will win the second round" of the French elections this Sunday, he said.

CURRENCY & INTEREST RATES

Cross Rates

May 27

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.9135	3.1175	1.1247	0.3333	0.1141*	—	5.448*	1.3494	1.6422*	1.3846	1.3325*
Brussels	35.0825	57.13	20.6425	6.1115	2.0893*	18.3545	—	24.84	30.14	25.35	24.425*
Frankfurt	1.697	2.769	—	0.2963	0.1015*	0.8893	4.8445*	1.2048	1.4542*	1.228	1.1842*
London (a)	1.6289	—	2.771	9.3476	2,732.23	3.1164	57.189	2.3097	189.932	2.2479	233.765
Madrid	143.392	234.087	84.423	25.002	8.557*	75.07	4.0899	101.201	123.115*	104.187	—
Milan	1,673.05	2,735.60	985.90	292.14	—	877.28	47.765	1,182.50	1433.5	1,216.15	11.666
New York (b)	—	1.6311 a	1.7055	5.7595	1,682.00	1.916	35.21	1.4205	116.67	1.3843	143.40
Paris	5.7352	9.3625	3.3767	—	0.3423*	3.0026	0.1636	4.0407	4.9243*	4.1671	4.001*
Tokyo	116.65	191.38	68.96	20.42	0.699	61.34	3.3414	83.17	—	84.19	0.8157
Toronto	1.384	2.2572	0.811	0.2401	0.0823*	0.7214	0.3931*	0.9736	1.1859*	—	0.961*
Zurich	1.416	2.3087	0.8333	0.2469	0.845*	0.7408	4.0068*	—	1.2163*	1.0254	0.9871*
1 ECU	1.158	0.706	1.9582	6.601	1,928.13	2.1997	40.3813	1.6229	134.521	1.5939	165.287
1 SDR	1.3947	0.8549	2.3596	7.9577	2,336.46	2.6551	48.788	1.9634	168.073	1.9175	199.212

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York at 4 p.m. and Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9986	Greek drac.	272.04	Mex. peso	7.913	S. Afr. rand	4.474
Australian $	1.3045	Hong Kong $	7.7405	N. Zealand $	1.4463	S. Kor. won	892.0
Austrian sch.	11.956	Hung. forint	181.17	Norw. krone	7.0633	Swed. krona	7.6414
Brazil real	1.0726	Indian rupee	35.828	Phil. peso	26.36	Taiwan $	27.83
Chinese yuan	8.3223	Indo. rupiah	2441.5	Polish zloty	3.21	Thai baht	25.51
Czech koruna	30.82	Irish £	0.6618	Port. escudo	171.59	Turkish lira	138235.
Danish krone	6.4689	Israeli shek.	3.3983	Russ ruble	5751.	UAE dirham	3.671
Egypt. pound	3.3952	Kuw dinar	0.2995	Saudi riyal	3.75	Venez. boliv.	484.00
Fin. markka	5.1185	Malay. ring.	2.5152	Sing. $	1.4288		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6310	1.6301	1.6291	Japanese yen	115.86	115.38	114.86
Canadian dollar	1.3725	1.3698	1.3669	Swiss franc	1.4120	1.4070	1.4018
Deutsche mark	1.6953	1.6916	1.6881				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

May 27

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 9/16 - 5 5/8	3 1/16 - 3 3/16	1 1/4 - 1 3/8	6 1/8 - 6 7/16	3 3/8 - 3 1/2	1/2 - 5/8	4 - 4 1/8
3-month	5 11/16 - 5 3/4	3 - 3 1/16	1 3/8 - 1 1/2	6 7/16 - 6 9/16	3 1/2 - 3 5/8	1/2 - 5/8	4 1/16 - 4 3/16
6-month	5 13/16 - 5 15/16	3 1/8 - 3 1/4	1 7/16 - 1 9/16	6 11/16 - 6 13/16	3 9/16 - 3 11/16	9/16 - 11/16	4 1/16 - 4 3/16
1-year	6 1/16 - 6 3/16	3 1/4 - 3 3/8	1 9/16 - 1 11/16	6 15/16 - 7 1/16	3 11/16 - 3 3/4	11/16 - 7/8	4 1/8 - 4 1/4

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/2	8 1/2
Federal funds	5 1/2	5 9/16
90-day CDs dealers	5.67	5.68
180-day CP dealers	5.62	5.62
3 month Treasury bill	5.00	5.02
1-year Treasury bill	5.54	5.53
2-year Treasury bill	6.26	6.21
5-year Treasury note	6.62	6.58
7-year Treasury note	6.69	6.64
10-year Treasury note	6.78	6.74
30-year Treasury bond	7.02	6.98
Merrill Lynch 30-day RA	5.00	5.00
Japan		
Discount rate	0.50	0.50
Call money	0.45	0.45
1-month interbank	0.53	0.53
3-month interbank	0.54	0.54
6-month interbank	0.62	0.62
10-year Govt bond	2.86	2.80
Germany		
Lombard rate	4.50	4.50
Call money	3.05	3.08
1-month interbank	3.15	3.15
3-month interbank	3.20	3.20
6-month interbank	3.25	3.25
10-year Bund	5.90	5.88

Britain		
Bank base rate	6 1/4	6 1/4
Call money	6 1/4	6 1/4
1-month interbank	6 1/4	6 5/16
3-month interbank	6 1/2	6 7/16
6-month interbank	6 11/16	6 5/8
10-year Gilt	7.22	7.23
France		
Intervention rate	3.10	3.10
Call money	3 5/16	3 5/16
1-month interbank	3 5/16	3 5/16
3-month interbank	3 5/16	3 5/16
6-month interbank	3 3/8	3 3/8
10-year OAT	5.82	5.75

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	N.A.	343.50	+1.00
London	343.55	343.45	+1.10
New York	343.40	344.70	+1.60

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (June.)

Source: Reuters.

Global Private Banking

WE ATTRACT NEW CLIENTS BY SERVING PRESENT CLIENTS EXCEPTIONALLY WELL.

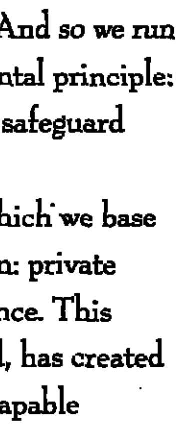
Headquarters of Republic National Bank of New York (Suisse) S.A. in Geneva.

Exceptional service demands personal attention as well as genuine concern for the financial well-being of our clients. And so we run our bank according to one fundamental principle: to protect our clients' capital as we safeguard its purchasing power.

It is a simple principle upon which we base our brand of financial conservatism: private banking built upon rigor, discipline and prudence. This sophisticated conservatism, vigorously pursued, has created a global private bank of exceptional stability, capable of weathering the roughest storms.

Indeed, Republic's capitalization ratio, on a risk adjusted basis, is *two times* as great as that required by the world's international banking regulators.

To our way of thinking, it is *security* as well as return that we must ensure each day. And in the process, to provide a unique quality of service, understanding and discretion.



World Headquarters of Republic National Bank of New York in New York.

Republic National Bank of New York

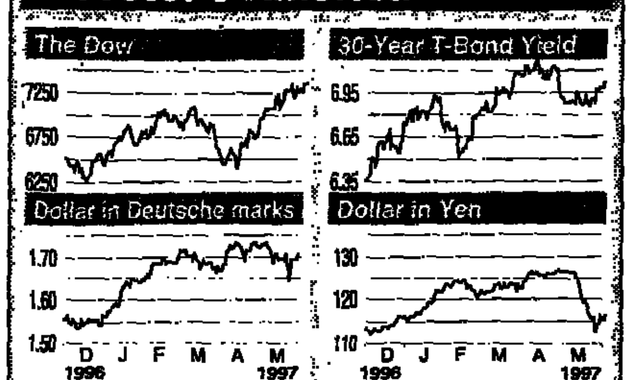
Strength. Security. Service.

A Safra Bank · New York · Geneva · London · Beijing · Beirut · Beverly Hills · Buenos Aires · Cayman Islands · Copenhagen · Gibraltar · Guernsey · Hong Kong · Jakarta · Los Angeles · Lugano · Luxembourg · Manila · Mexico City · Miami · Milan · Monte Carlo · Montevideo · Montreal · Moscow · Nassau · Paris · Perth · Punta del Este · Rio de Janeiro · Santiago · Singapore · Sydney · Taipei · Tokyo · Toronto · Zurich

© Republic National Bank of New York, 1997

THE AMERICAS

Investor's America



Exchange	Index	Tuesday @4PM	Prev. Close	% Change
NYSE	The Dow	7358.27	7345.91	+0.17
NYSE	S&P 500	850.97	847.03	+0.47
NYSE	S&P 100	836.94	834.95	+0.60
NYSE	Composite	441.34	440.28	+0.24
U.S.	Nasdaq Composite	1406.26	1389.72	+1.19
AMEX	Market Value	598.20	597.94	+0.04
Toronto	TSE Index	6455.70	6484.00	-0.44
São Paulo	Bovespa	11049.82	10812.15	+2.20
Mexico City	Bolsa	3965.57	3961.01	+0.09
Buenos Aires	Merval	765.21	769.84	-0.56
Santiago	IPSA General	5512.55	5466.38	+0.84
Caracas	Capital General	N.A.	6927.50	-

Source: Bloomberg, Reuters International Herald Tribune

Very briefly:

Hundt Resigns as Head of FCC

WASHINGTON (Combined Dispatches) — President Bill Clinton accepted the resignation Tuesday of Reed Hundt as chairman of the Federal Communications Commission.

His departure had been expected. He earlier pledged to stay on the job long enough to complete work on the phone-competition provisions of last year's sweeping telecommunications law. The FCC completed that job May 7.

William Kennard, the FCC's general counsel, is a leading contender to succeed Mr. Hundt. *(Bloomberg, Reuters)*

Consumer Confidence Hits Record

NEW YORK (Bloomberg) — U.S. consumer confidence surged to a 28-year high in May, and home resales in April remained at a pace that would top 4 million for the second consecutive year, according to data released Tuesday.

The Conference Board's index of consumer confidence rose to a higher-than-expected 127.1 points in May from April's revised figure of 116.8. That is the highest reading since August 1969, when the index reached 131.7. Meanwhile, home resales fell a larger-than-expected 2.4 percent in April, the National Association of Realtors said, but that still translated to an annual rate of 4.06 million, close to the 1996 record total of 4.09 million.

• Former International Business Machines Corp. workers lost an appeal to the Supreme Court to revive a lawsuit saying they had been duped into leaving their jobs when the company knew it would soon offer a more generous severance package.

• Netscape Communications Corp. is leading an effort to propose a standard that would enable Internet users to stop personal information from being sent automatically from their computers to World Wide Web site operators. Microsoft Corp. has not agreed to the standard. *Bloomberg, AP*

High-Tech IPOs Flounder

Investors Turn Selective After 1996's Poor Results

By David Barboza
New York Times Service

NEW YORK — A record number of technology companies went public in 1995 and 1996 as investors clamored to own a piece of what they hoped would be the next Intel Corp. or Microsoft Corp. But with many of last year's hot new issues faltering, the market for initial public offerings in high-technology companies has tumbled.

While a slowdown was expected this year, the slump in new technology issues seems to have been sharper than many analysts expected and is perhaps another indication of how quickly market sentiment can change.

"For the better part of 1995 and 1996, we had a roaring technology market, and IPOs were clearly a beneficiary of that," said Lise Buyer, an analyst at T. Rowe Price & Associates. "But the rather traumatic technology market of the last eight months has reduced investors' risk tolerance, and so they're being increasingly selective."

Technology offerings are hardly alone. This year, the new-issues market is down 35 percent from its pace last year, when a record $49 billion was raised through 865 public offerings, according to Securities Data Co.

But technology issues are even worse off. At this time last year, 105 technology companies had gone public, raising about $7.3 billion.

This year so far, just 52 companies have done so, raising about $1.7 billion — a 77 percent decline in dollar figures.

For Internet companies, the drought has been even more severe. So far, only three Internet companies have gone public in 1997, raising $95 million, down from $1.2 billion a year earlier.

In 1996, investors made Lucent Technologies Inc., a spin-off from AT&T Corp., America's largest offering ever, raising $3 billion; they also flocked to Yahoo! Inc., the Internet search engine. Both have since racked up large returns.

But heading the new issues of 1997 is Hartford Financial Services Group, which raised $650 million last week in the year's largest American offering so far. The largest technology issue this year is Iona Technologies, an Irish software company that raised $137 million. It is now trading below its offering price.

"Year to date, it's been terrible," said Michael Moe, director of growth stocks at Montgomery Securities. "The amount raised in all IPOs is down 30 percent. But more telling perhaps is that pricing has been poor."

Nearly half of the technology companies that have gone public this year were finally priced at less per share than the estimate filed in their prospectuses, compared with just 12 percent last year, according to Montgomery Securities.

Analysts attribute the soft market in new technology issues to a variety of factors, including a bear market in small technology stocks as the Russell 2000 Technology Index plunged 23 percent before rebounding in the past month.

"If the market catches a cold, the IPOs get pneumonia," said L. Keith Mullins, a managing director at Smith Barney, noting that the market for new issues takes its lead from the performance of the larger market.

Initial public offerings also have been affected by weak cash flows into technology mutual funds and the flood of new offerings in the past two years. In 1995 and 1996, roughly 373 technology companies went public, more than in all of the 1980s. But thus far, many of those companies have posted disappointing returns; that, in turn, has sapped investor enthusiasm.

"Last year, there were a lot of trees growing to the moon," said a new-issues analyst who spoke on condition of anonymity. "Investors thought they could buy anything in the technology sector. But this year they lost money on the networking stocks, stocks which they thought were unassailable."

Technology Issues Push Shares to a New High

Compiled by Our Staff From Dispatches

NEW YORK — Technology shares drove the stock market to a record high on Tuesday, despite a weak bond market, where long-term interest rates above 7 percent.

Stocks climbed as large hedge funds snapped up shares in the fast-growing computer industry, traders said.

Hedge funds, which manage pools of money for a small number of wealthy individuals or institutions, "think tech is the big move," said David Slaine, who heads Nasdaq stock-market trading at Morgan Stanley & Co.

The Dow Jones industrial average closed 37.50 points higher from Friday at 7,383.41 points, surpassing the record of 7,345.91 it set that day.

U.S. financial markets were closed Monday for the Memorial Day holiday.

The Standard & Poor's 50-stock index gained 2.68 points to 849.71.

But the biggest gains were reserved for the largest computer companies in the Nasdaq composite index, which rose 19.49 points, or 1 percent, to 1,409.21.

Cisco Systems, a computer networker, rose 1⅜ to 68¾, and Microsoft jumped 3¾ to 126⅝.

Several reasons are contributing to computer companies' strength. The declining dollar has raised the attractiveness of computer-related companies, which make more than half of their sales outside the United States, traders said.

To deploy funds quickly, Mr. Slaine said, investors snapped up options contracts on the Morgan Stanley High Tech Index, which charts the path of 35 U.S. computer companies.

As stocks have rallied to records in the past month, some investors have said companies such as the software publisher Oracle and the chipmaker Micron Technology could rise farther and faster than the S&P 500 index.

"There are so many good companies that were overlooked in this market rise," said R. Lynn Yturri, a manager at Banc One Investment Advisors Corp. "We are now entering a market phase that is best defined as a catch-up phase."

One of the day's most active shares was Micron Technology, after Thomas

U.S. STOCKS

Kurlak, a Merrill Lynch analyst, raised his estimates of the chipmaker's 1997 and 1998 earnings. At the end of the first quarter, Micron was the biggest holding of the hedge-fund manager Jeff Vinik, the former manager of Fidelity Investments' Magellan Fund. Micron surged 4¼ to 42½, and Intel surged 6⅛ to 169 5/16.

Bay Networks rose 1 to 22¾ as the computer-networking company introduced several switching products, including a low-cost workgroup switch.

J. P. Morgan fell 1⅛ to 103⅜, leading a retreat among banks as bond yields climbed above 7 percent for the first time in a month, after reports showed the economy may be strong enough to prompt another interest-rate increase by the Federal Reserve in July.

The benchmark 30-year Treasury bond fell 14/32 to 95 2/32, taking the yield up to 7.02 percent, its highest level since April 28, from 6.98 percent on Friday.

Rising consumer confidence contributed to the split in the market, fueling expectations for continued profit growth and concern that inflation could accelerate as the economy embarked on its seventh consecutive year of expansion. *(Bloomberg, AP)*

Bottler to Buy Coca-Cola Units

Bloomberg News

ATLANTA — Coca-Cola Enterprises Inc. said Tuesday it planned to buy Coca-Cola Co.'s bottlers in New York and Canada for $1.66 billion in cash and assumed debt as it sped up the consolidation of its bottlers.

Coca-Cola Enterprises, the world's largest soft-drink bottler, said it agreed to buy about half of Canada's Coca-Cola Beverages Ltd. and Coca-Cola Bottling Co. of New York from Coca-Cola. It plans to buy the remaining stakes in the bottlers from investors.

Coca-Cola Co. has stepped up the sale of local distributors, which it has purchased and overhauled, to its nine largest bottlers. Coca-Cola Enterprises, which is 44 percent owned by Coke, has been the biggest beneficiary of that drive as it expanded across Europe and North America in the past year.

"They want to make sure the bottlers are in the strong hands of a good management team," said Marion Glover of Glover & Associates, a bottling-industry consultant.

Coke Enterprises said the purchases would give it 65 percent of Coca-Cola's North American sales and 20 percent of global sales. Coca-Cola's Co.'s shares closed at $68.50, up 37.5 cents.

AMEX

Tuesday's 4 P.M. Close
The top 300 most active shares, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
AM Intl	418	2⅞	2¾	2¾	-⅛
AMC	397	23½	22¾	22⅞	+⅛
ARC	1177	4⅞	3¾	3¾	-⅛
ASR Inv	182	21⅛	21	21⅛	-⅛
AT Plas s	155	9⅝	9	9	+⅜
ATT Fd	119	89⅜	87⅞	89⅜	+1⅝
AVIC Gp n	180	3⅞	3⅝	3⅝	-⅛
Acodiam n	132	19	19	19	-⅛
Advlted	419	3⅜	3⅛	3⅜	
AdvPhot	225	1⅞	1¾	1¾	-⅛
Alasco	344	15⅝	14⅞	15⅛	-⅛
AHougen	723	13¾	13⅛	13½	+⅛
Allin	183	⅝	⅝	⅝	
AlldRsh	880	8⅞	8	8⅞	+⅜
AltLang s	273	19½	19	19	-⅜
Amdhl	6328	8⅝	8⅜	8½	-⅛
AExpl	217	13⅞	12⅞	13⅞	+⅞
AIM 85	105	14⅞	14⅝	14⅞	+⅛
AmerPlnq	134	2¼	2⅛	2¼	-⅛
AScIE	134	18⅛	18	18⅛	-⅛
ATecbC	666	13⅞	13	13	+⅞
Ampal	181	5⅞	4⅞	5⅞	+⅛
Ampex	1486	6⅝	6⅛	6⅜	+⅛
Andrea	243	11⅞	11⅝	11⅝	-⅛
Anuhco	141	8⅜	8⅛	8⅜	
ApplcDt s	318	7⅞	7⅜	7⅞	-⅛
AsdLving	532	25⅛	25	25⅛	+⅛
Astrotc	131	5⅞	5⅝	5⅝	-⅛
AtlTele	407	12⅝	12½	12⅝	+⅛
Audvox	1482	6⅝	6	6⅝	+⅛
Autotote	538	1⅞	1¾	1¾	
Avagen wt	558	28⅜	27⅝	27⅞	+⅝
Azco	471	1⅞	1¾	1⅞	-⅛
BAT Ind	845	18⅝	18⅛	18⅝	-⅛
Baker	289	7⅝	6⅞	7	+⅞
Balleys	161	15⅛	14⅝	14⅞	-1
BT depP	2134	25⅜	25⅛	25⅛	-
BT depO	244	25⅝	25⅜	25½	-
BarrLab s	407	26⅝	26	26⅝	+⅜
Bayou	489	2⅞	2⅝	2⅞	+⅜
BeardGold	1469	7⅝	7⅜	7⅜	-⅛
BioR A s	257	25⅝	24⅝	25⅝	+⅝
BioRB	132	11⅞	11⅝	11⅞	+⅛
BlairCp	115	16⅜	16⅛	16⅜	+⅛

Stock	Sales	High	Low	Latest	Chge
FlaRck	137	33½	33⅛	33½	-⅛
ForstCA s	255	43	42⅝	42⅞	-⅞
ForstLB	252	43⅝	43⅛	43¼	-⅜
FortPet	520	3⅝	3½	3½	+⅛
FrnkSel	160	5⅞	5⅝	5⅞	
FreqEl	403	12	11⅝	12	+⅛
Frieda	179	6	5⅞	5⅞	-⅛
GA Fncl	249	16⅛	16	16⅛	+⅛
GST Tele	781	8	7⅞	8	+⅛
Garan	150	20⅞	20	20	-⅛
GayICn	7556	8	7⅝	8	+⅛
GenCor	118	26⅝	26⅜	26⅝	-⅛
GeAuto	134	7⅛	7	7⅛	+⅛
GenvDr	333	16	15⅝	15⅞	+⅛
GetchGld	402	41⅞	40⅝	40⅞	-⅝
GiantFd	599	33⅝	33	33⅝	+⅝
Glatfl	251	17¾	17½	17½	-⅛
GlobSml	104	15⅛	15	15⅛	
GlbIndl	1056	3⅝	3½	3⅝	+⅛
GoVideo	680	1⅞	1¾	1⅞	
GldStarR	1280	8	7⅝	8	+⅛
GldFld	953	⅝	½	½	
Gorstrup	151	18⅛	17⅞	17⅞	-⅛
GrnBayC	106	1⅜	1¼	1¼	
Greyhnd	1568	4⅝	4⅜	4⅜	-⅛
GrStrsc	366	3⅝	3⅜	3⅜	-⅛
Halsey	488	4⅝	4⅜	4⅜	-⅛
Hallwd s	571	25⅞	24⅞	24⅞	-⅛
Hanolf	194	7⅝	7⅜	7⅜	-⅛
HangOr	426	9⅝	8⅞	9	+⅛
HarolDr	272	[illegible]	[illegible]	[illegible]	
Harris wt B	288				
Harken	3202	4⅝	4⅜	4⅜	-⅛
Hasbro s	2323	28⅞	27⅞	28	
HawaiAr	190	3⅜	3⅛	3⅛	
Heico	1445	7⅝	1⅞	[illegible]	
HiShearT	132	6	5⅞	6	
HollyCp	108	24⅞	24⅝	24⅝	-⅛
HomeVR s	417	17⅛	16⅞	17⅛	+⅛
HomeV wt	349	8⅝	8⅜	8⅝	
HoustI	254	21⅞	20⅝	21⅝	+⅝
Identix	810	10⅞	10⅝	10⅝	-⅛
ImpCVMg	297	26⅝	25⅞	25⅞	+⅛
ImpOil g	273	48⅝	48⅛	48⅛	-⅛
IntegOdt	347	5⅞	5⅜	5⅞	+⅜
IntegTc a	218	1⅛	1	1⅛	
IntrtDig	1255	6⅝	6⅜	6⅜	
IntlsBrn	180	⅝	[illegible]	[illegible]	
IntlMogn	151	7⅝	[illegible]	[illegible]	
IRIS	248	3⅜	3⅛	3⅛	-⅛
IntlThrgh	104	4⅝	4⅜	4⅜	
Intrpsys	125	1⅝	1⅜	1½	
IntPoly	355	19⅝	19	19	+⅛
IonLaser	180	9⅝	[illegible]	[illegible]	
IntsiCp	4214	9⅝	9⅜	9⅜	-⅜
JTS Corp	3669	1⅞	1⅝	1⅞	+⅛

Stock	Sales	High	Low	Latest	Chge
RoyalO g	1597	2⅝	2⅜	2⅜	+⅛
SabaPet s	1198	15⅝	14⅝	15⅛	-⅛
SFsGam	177	1	⅞	⅞	-⅛
Sellcore n	778	12⅞	12	12⅞	+⅞
SentryT n	173	3	2⅞	2⅞	
ShieldMd	204	2⅝	2½	2½	-⅛
SheltrCn s	119	12	11⅝	11⅝	-⅛
Silco	198	14	12⅝	14	+1⅞
SilverFds	145	1⅛	1⅛	1⅛	-⅛
SmdBrn	351	9⅝	9⅛	9⅛	-⅛
Softnet	712	6⅝	6	6⅝	+1⅛
ecSoligen	113	⅝	½	⅝	
SPDR	14757	85⅞	84⅝	85⅞	+⅛
SP Mid	486	54⅝	53⅞	54⅝	+⅜
StarhAbus	281	14⅝	14⅜	14⅜	-⅛
StraAlus	685	1⅝	1½	1⅝	+⅛
Sulcus	744	1⅝	1⅜	1⅝	+⅛
TchPrd	158	9⅝	8⅝	9	+⅛
TelOtr	909	37⅝	37⅛	37⅜	+⅛
TexBiotch	961	5⅝	5⅛	5⅝	-⅛
TexBi wt	140	1⅞	1¾	1¾	
ThmDel n	124	12⅞	12	12⅞	+⅞
Thermed	706	17⅞	16⅞	17⅞	+⅝
ThmBio n	835	15⅜	15⅛	15⅛	-⅛
ThCardio	286	27⅛	26⅝	26⅞	-⅛
ThrFibr n	118	9⅝	9⅛	9⅛	-⅛
ThmFib s	310	11	10⅞	10⅞	-⅛
ThrIns	249	35⅞	34⅞	35	+1⅛
ThmSen	426	11⅛	11	11	
TorVar s	432	8⅝	8⅛	8⅝	-⅛
ThrmoIse	982	14⅝	13⅞	14	+⅛
Thmst	154	14	13⅞	13⅞	
Thmoth	419	26⅞	25⅞	26	+1⅛
TopSrce	399	2⅝	1⅞	1⅞	
TotlPet	763	18⅝	9⅞	18⅝	+⅛

Stock	Sales	High	Low	Latest	Chge
TWA	10108	7⅞	7⅝	7⅝	+⅛
Tmsm	712	17⅝	17	17⅝	+⅝
TransMed n	208	13⅝	13⅜	13⅝	-⅛
TubMex	542	18⅝	17⅞	17⅞	-⅛
UTI Eng	102	37⅞	36⅝	37	+⅜
Unapix	138	4⅝	4⅜	4⅜	-⅛
Unilab	355	⅝	⅝	⅝	-
Unimar	224	4⅝	4½	4½	-⅛
UnivMd	451	4⅝	4⅜	4⅜	-⅛
UCrbn	124	7⅞	7⅝	7⅞	+⅛
USBioscd	1438	11⅛	10⅞	11⅛	+⅛
US Cell	284	26⅝	26	26⅝	+⅝
ecVIS Hld	439	4⅜	4	4⅜	-⅛
VKAdMU	224	11⅞	11⅝	11⅞	
Viacom	767	29⅝	28⅝	28⅞	
ViacB	8655	29⅞	28⅞	29⅞	
Viac wtC	1300	[illegible]	[illegible]	[illegible]	
Virco	286	21⅞	19⅞	21⅞	+2⅛
VishG g	2182	1⅝	[illegible]	[illegible]	
Vitrnc	738	⅞	[illegible]	1	
WRIT	214	16⅞	16⅝	16⅞	
WIPET	813	13⅝	13⅜	13⅝	
WhtIceE	167	4	3⅞	3⅞	
WirelessT	725	10⅜	10⅛	10⅜	
WEB Bel	3463	17⅞	17⅝	17⅞	
WEBCan	181	13⅝	13⅜	13⅝	
WEBGer	221	16⅝	16½	16⅝	
WEB HK	212	15⅞	15⅝	15⅞	
WEB Ita	412	15⅝	15⅜	15⅝	
WEB Jpn	344	12⅝	12⅝	12⅝	
WEB Mal	138	13⅞	13⅝	13⅞	
WEB Mex	377	13⅝	13⅜	13⅝	
WEB Spn	218	21⅞	21⅝	21⅞	
WEB Swz	333	14⅝	14⅜	14⅝	
WEB UK	322	16⅝	16⅜	16⅝	
XCL Ltd	9151	⅞	¾	⅞	-⅛

Stock	Sales	High	Low	Latest	Chge
BogenC	187	4⅞	4⅝	4⅝	-⅛
Bogen wt	122	⅞	⅞	⅞	
Bodwld	118	15⅝	15	15	-⅝
Bowne	1637	27½	27	27⅛	-⅛
Bowlyre s	132	20⅝	20	20⅝	+⅛
BritDig n	151	6	5⅞	6	+⅛
CE Frnk g	389	5	4⅞	4⅞	-⅛
CVM	183	8	7⅝	7⅞	-⅛
Cablesn	504	22⅞	22⅝	22⅞	-⅛
Cablvs pf	193	83	82⅞	82⅞	-⅛
Cablvsl g	152	3⅞	3⅝	3⅝	-⅛
Calton	270	⅝	½	½	
Cambior	124	13⅞	13	13⅞	+⅛
CdnOcci g	2670	23⅞	22⅞	22⅞	-⅛
Canyonfs	427	3⅞	3	3	+⅛
Casmyrs n	211	20⅞	18⅝	18⅝	-1⅛
CastlAM	127	21⅞	21⅝	21⅞	
ChadThr	1060	7	6⅝	7	+⅛
Chiel	164	21⅝	21⅜	21⅝	-⅛
CitFFin	112	16⅞	15⅞	15⅞	-⅛
Cognitin	654	9⅝	8⅝	9⅝	
ColLb	1659	16⅝	15⅞	16	+⅛
Comforce	840	8⅞	8⅝	8⅞	+⅛
CmclAsl	134	6⅞	6⅝	6⅞	-⅛
CmpMan	268	13	12⅝	12⅝	-⅛
Conolog	103	1⅝	1½	1½	
CnstE	184	8	7⅞	7⅞	-⅛
ConsMed	233	2⅞	2⅝	2⅞	-⅛
ComCor n	104	17⅝	17⅛	17⅝	+⅛
Crisis	368	10⅞	10⅝	10⅝	-⅛
CrnCP B	99	13⅞	13⅝	13⅞	-⅛
ecCrwnL	168	1	1	1	
Cubic s	179	23⅞	23	23⅞	+⅛
Cycomm	280	2⅞	2½	2⅝	-⅛
DI Ind	1417	2⅞	2⅝	2⅞	
DairyA	132	6⅞	6⅝	6⅝	-⅛
DataMet	293	1⅝	1	1	-⅛
Davstrd	119	2	1⅞	1⅞	-⅛
Datamet	121	1⅝	1⅛	1⅛	-⅛
Datarm	313	11⅞	10⅞	11⅞	+⅛
DevrnE	913	37⅞	37⅛	37⅞	+⅝
DiagRet	97	10⅝	10⅜	10⅝	-⅛
DigPwr n	120	7⅞	7⅝	7⅞	-⅛
Diodes	289	9⅞	9⅝	9⅞	-⅛
DonTic	241	10⅝	9⅞	9⅞	-⅛
Drewlnd s	194	12	11⅞	12	+⅛
DryfMu	874	9⅝	9⅝	9⅝	+⅛
EZ Serv	258	⅝	⅝	⅝	+⅛
EchoBay	3816	5⅝	5⅜	5⅜	+⅛
Edisto	173	10⅝	10	10⅝	+⅛
ElPasoE	293	7⅞	7⅝	7⅝	+⅛
Elswth	178	10⅝	10⅜	10⅝	
Emerltn	122	19⅞	15⅞	19⅞	
EmpCar	397	2⅞	2⅝	2⅝	-⅛
Enzobi	379	14⅝	14⅛	14⅝	
Equinet n	831	15	14⅞	14⅞	-⅛
Ecshrp	198	19⅝	19	19⅝	+⅛
Fab-Ind	398	2	1⅞	1⅞	-⅛
Florod	324	4⅞	4⅝	4⅞	+⅛
FinFd	186	19	18⅝	18⅝	-⅛
FtAust	525	9⅝	8⅞	9⅝	-⅛
FAusPr	2864	9⅝	9⅜	9⅝	+⅛
Fribor	277	12⅝	12⅜	12⅝	-⅛
FstIndA s	173	14⅝	14⅜	14⅝	+⅛

Stock	Sales	High	Low	Latest	Chge
JanBell	593	2⅞	2⅝	2⅝	-
KV Ph A	151	15⅝	15⅜	15⅝	+⅛
Keane s	916	55⅝	54⅝	55⅝	+⅛
KeyEng	797	16⅝	16⅜	16⅝	+⅝
Kinark	226	3⅝	3⅜	3⅜	-
KogrEq	380	16⅝	16⅜	16⅝	+⅛
LXRBiot	1100	2⅞	2⅝	2⅞	-⅛
LaBarg	787	6⅝	6⅜	6⅝	-⅛
LsrTc wt	281	⅝	½	⅝	+⅛
LeathFac	260	⅝	½	½	+⅛
LehMU	483	26⅝	26⅜	26⅜	+⅛
LehSTc wt	329	13⅞	12⅝	13⅝	+1
Magnisuf	151	5⅝	5⅜	5⅜	-⅛
MedcR	257	8⅝	8⅜	8⅝	+⅛
Media	345	30⅞	30½	30⅝	-⅛
MediaLog	310	3	2⅞	3	-⅛
Media	108	7¾	7⅝	7⅝	-⅛
Medtox	413	⅝	½	½	+⅛
Merrimc	104	11⅛	10⅝	10⅝	-⅛
Metromda	1828	10⅝	10⅜	10⅝	+⅛
MidABc	160	20⅝	20⅛	20⅝	+⅛
MidtnRty	199	11⅛	11⅛	11⅛	-⅛
MovieStr	150	⅞	⅞	⅞	-⅛
Munisl	237	9	8⅞	8⅞	-
Myerslnd	189	17⅞	17⅝	17⅞	-⅛
NTNCom	1095	3	2⅞	3	+⅛
Nabors	2561	22⅞	21⅝	22	-⅛
NtPoint	213	7⅞	7⅝	7⅝	+⅛
Neoptrm s	1277	4⅝	3⅞	4	-⅛
NMuAl	351	14⅛	13⅞	13⅞	-⅛
NY Times	1728	47	46⅝	47	+⅛
NewcaMl p	429	15	14⅝	14⅝	+⅛
NA Vacc	301	20	18⅝	18⅝	-1⅛
NthnTch	148	8⅝	8	8⅝	+⅛
Novavx	640	3⅝	3⅛	3⅛	+⅛
OmniMult	462	1⅝	1⅛	1⅝	+⅛
Oncor	635	3⅞	3⅝	3⅝	+⅛
Organogn s	410	18⅝	17⅞	18⅛	+⅛
PC Quote	178	3⅛	1⅞	1⅞	-⅛
PGE Cap pf	96	25	24⅝	24⅝	-
PLC Sys	1443	18⅝	17⅝	18⅝	+⅛
PLM	187	5⅝	5⅜	5⅝	-
PMC CT	141	17⅛	16⅞	17	-⅛
PanAmC n	263	8⅝	8⅛	8⅝	+⅛
Parspl	7804	9⅝	7⅞	9⅝	
PegGld	986	6⅞	6⅝	6⅞	+⅛
PeopleTel	198	3⅝	3⅛	3⅝	-
Phoitel	300	2	1⅞	2	
PieRsc	269	15	14⅝	14⅝	-⅛
Polymed	162	6	5⅞	5⅞	-⅛
PortSys s	156	7⅝	7⅜	7⅝	+⅛
PraelLg	784	17	16⅝	16⅝	-⅛
PrcCm	431	8⅝	7⅞	7⅞	-⅛
Pricell s	125	8⅝	8⅜	8⅝	+⅛
ProActiv n	393	⅝	½	½	-⅛
PrtBcp	158	11⅝	11⅛	11⅛	+⅛
ecProDel	156	1⅝	1⅜	1⅜	-⅛
PropCT s	11245	7⅞	6⅞	6⅞	+⅛
PsycCp	119	7⅝	7	7⅝	-⅛
QC Opt n	435	3	2⅞	2⅞	+⅛
RroGold	135	⅝	½	½	-⅛
RLJoeWt	351	27⅝	27⅛	27⅛	+⅛
ReganBel	163	27	26⅞	26⅞	-⅛
Rizer	1311	41⅞	41⅝	41⅝	
RobertsPh	501	12	11⅝	12	+⅛

INTERNATIONAL FUTURES

May 27, 1997

Grains

CORN (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	OpInt
Jul 97	270	264	264¼	-6¼	122,159
Sep 97	259¾	253½	254	-4¾	30,222
Dec 97	257	251½	252	-4½	112,455
Mar 98	262¾	258	258¾	-4	12,201
May 98	266	262	262	-4½	1,234
Jul 98	270½	265¾	265¾	-4¾	3,019
Dec 98	256½	254	255	-3¾	3,233

Est. sales N.A. Fri's. sales 50,377
Fri's open int 285,026 off 2076

SOYBEAN MEAL (CBOT) 100 tons- dollars per ton

	High	Low	Latest	Chge	OpInt
Jul 97	281.50	276.70	277.10	-3.10	50,385
Aug 97	264.50	258.50	258.70	-4.90	15,444
Sep 97	243.50	239.50	239.50	-4.70	9,684
Oct 97	229.00	224.50	225.00	-4.00	10,390
Dec 97	221.00	216.20	216.40	-4.30	20,345
Jan 98	217.80	214.00	214.00	-3.80	2,070

Est. sales N.A. Fri's. sales 32,216
Fri's open int 111,031 off 1718

SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb

	High	Low	Latest	Chge	OpInt
Jul 97	23.51	23.25	23.29	-0.03	50,816
Aug 97	23.69	23.47	23.48	-0.03	14,386
Sep 97	23.80	23.60	23.63	-0.05	8,955
Oct 97	23.80	23.65	23.66	-0.06	8,945
Dec 97	24.03	23.70	23.81	-0.08	18,177
Jan 98	24.11	23.98	23.98	-0.08	1,254

Est. sales N.A. Fri's. sales 13,168
Fri's open int 102,847 up 487

SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	OpInt
Jul 97	844½	830½	831¼	-4½	92,845
Aug 97	802	789	790½	-9½	24,410
Sep 97	717	705	705½	-11¼	9,336
Nov 97	678	664	665	-12½	49,515
Jan 98	680	668	668½	-11¾	5,234

Est. sales N.A. Fri's. sales 62,259
Fri's open int 183,733 off 557

WHEAT (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	OpInt
Jul 97	376	363	363½	-11½	47,703
Sep 97	384¼	370	371	-14½	14,200
Dec 97	395¼	383	383½	-9¾	17,298
Mar 98	393½	384	386	-8	1,458

Est. sales N.A. Fri's. sales 16,928
Fri's open int 81,562 off 353

Livestock

CATTLE (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Jun 97	65.22	64.55	64.90	-0.50	34,597
Aug 97	65.52	64.85	65.27	-0.30	39,684
Oct 97	68.90	68.42	68.77	-0.30	18,863
Dec 97	71.55	71.05	71.25	-0.35	9,961
Feb 98	71.60	71.37	71.47	-0.07	5,005
Apr 98	73.37	73.15	73.25	-0.12	1,749

Est. sales 14,919 Fri's. sales 8,890
Fri's open int 101,854 off 10

FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
May 97			76.27		1,715
Aug 97	79.25	78.55	78.90	-0.40	10,964
Sep 97	78.60	78.05	78.45	-0.25	2,072
Oct 97	78.55	78.10	78.30	-0.25	3,260
Nov 97	79.75	79.25	79.67	+0.02	1,803
Jan 98	80.00	79.75	80.00		462

Est. sales 1,967 Fri's. sales 3,725
Fri's open int 20,440 off 99894

HOGS-Lean (CMER) 40,000 lbs.- cents per lb

	High	Low	Latest	Chge	OpInt
Jun 97	81.72	80.35	81.20	+0.55	10,764
Jul 97	82.37	80.80	81.45	+0.52	10,278
Aug 97	80.40	78.45	79.85	+0.92	7,424
Oct 97	72.70	71.10	71.92	+0.45	5,670
Dec 97	70.10	68.85	69.72	+0.32	3,602

Est. sales 11,890 Fri's. sales 8,534
Fri's open int 40,543 off 387

PORK BELLIES (CMER) 40,000 lbs.- cents per lb

	High	Low	Latest	Chge	OpInt
May 97	92.00	90.60	91.00		41
Jul 97	92.97	91.65	91.90	-0.60	6,373
Aug 97	91.60	90.45	91.02	+0.12	1,751

Est. sales 3,063 Fri's. sales 2,595
Fri's open int 8,584 up 24

Food

COCOA (NCSE) 10 metric tons- $ per ton

	High	Low	Latest	Chge	OpInt
Jul 97	1462	1444	1452	-9	31,557
Sep 97	1489	1474	1481	-10	13,988
Dec 97	1515	1510	1512	-13	18,412
Mar 98	1542	1536	1538	-12	20,964
May 98			1560	-7	8,531
Jul 98	1580	1575	1580	-7	522

Est. sales 3,730 Fri's. sales 5,033
Fri's open int 96,029 off 1050

COFFEE C (NCSE) 37,500 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Jul 97	275.00	255.80	274.30	+17.45	14,584
Sep 97	239.50	137.50	237.50	-11.45	7,615
Dec 97	202.20	195.00	201.95	-5.75	4,932
Mar 98	187.00	187.75	186.65	-3.90	2,038
May 98	178.00	176.00	178.00	-3.00	422

Est. sales 10,797 Fri's. sales 5,970
Fri's open int 29,869 off 198

SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb

	High	Low	Latest	Chge	OpInt
Jul 97	11.17	11.04	11.16	-0.05	74,845
Oct 97	10.94	10.84	10.94	-0.03	44,873
Mar 98	10.90	10.81	10.89	-0.04	25,295
May 98	10.80	10.74	10.80	-0.05	6,265

Est. sales 11,872 Fri's. sales 6,980
Fri's open int 155,084 up 951

ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Jul 97	81.80	79.60	79.85	-1.75	16,092
Sep 97	83.80	82.00	82.20	-1.55	7,184
Nov 97	86.00	84.50	84.75	-1.30	3,468
Jan 98	88.75	87.25	87.25	-1.50	1,626

Est. sales N.A. Fri's. sales 976
Fri's open int 29,711 off 368

Metals

GOLD (NCMX) 100 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	OpInt
May 97			344.50	+1.70	1
Jun 97	345.30	343.10	344.70	+1.60	41,589
Jul 97			345.90	+1.50	
Aug 97	347.80	345.80	347.10	+1.50	35,644
Oct 97	350.30	349.20	349.80	+1.50	6,981
Dec 97	353.40	352.00	352.60	+1.50	23,450
Feb 98	355.60	355.10	355.40	+1.60	6,840
Apr 98			358.00	+1.70	3,833
Jun 98	369.30	360.80	360.80	+1.70	7,002

Est. sales N.A. Fri's. sales 24,871
Fri's open int 156,779 off 500

HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
May 97	118.60	117.70	118.10	-0.45	796
Jun 97	118.50	117.70	118.40	-0.40	3,546
Jul 97	118.60	117.50	118.40	-0.35	34,150
Aug 97	116.00	115.30	115.85	-0.30	1,841
Sep 97	114.15	113.10	114.00	-0.15	6,602
Oct 97	112.20	111.80	112.20	-0.05	1,069
Nov 97			110.45	-0.10	1,171
Dec 97	109.00	108.30	109.00	-0.15	6,027
Jan 98			107.20	-0.15	508

Est. sales N.A. Fri's. sales 8,160
Fri's open int 60,494 off 166

SILVER (NCMX) 5,000 troy oz.- cents per troy oz.

	High	Low	Latest	Chge	OpInt
May 97			472.30	+1.10	54
Jun 97	472.50	471.00	472.50	+1.00	4
Jul 97	476.00	472.50	474.80	+1.00	58,989
Sep 97	481.00	477.00	479.70	+1.00	6,517
Dec 97	489.00	485.00	486.90	+1.00	7,330
Jan 98			489.20	+1.00	17
Mar 98			494.50	+1.00	7,975
May 98			499.50	+1.00	2,711

Est. sales N.A. Fri's. sales 12,178
Fri's open int 89,675 off 895

PLATINUM (NMER) 50 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	OpInt
Jul 97	401.00	388.10	397.00	+8.60	13,932
Oct 97	397.50	389.50	393.50	+6.10	4,626
Jan 98			393.50	+5.10	1,218

Est. sales N.A. Fri's. sales 1,957
Fri's open int 19,792 off 101

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1627½	1628½	1615.00	1616.00
Forward	1640.00	1641.00	1625.00	1626.00
Copper Cathodes (High Grade)				
Spot	2589½	2591¼	2590½	2592½
Forward	2513.00	2514.00	2513.00	2515.00
Lead				
Spot	628½	629½	626½	627½
Forward	637.00	638.00	635.00	636.00
Nickel				
Spot	7240.00	7250.00	7455.00	7465.00
Forward	7350.00	7360.00	7565.00	7570.00
Tin				
Spot	5665.00	5675.00	5690.00	5700.00
Forward	5720.00	5730.00	5740.00	5750.00
Zinc (Special High Grade)				
Spot	1340.00	1341.00	1339½	1340½
Forward	1362.00	1363.00	1360.00	1361.00

Financial

US T. BILLS (CMER) $1 million- pts of 100 pct.

	High	Low	Close	Chge	OpInt
Jun 97	94.83	94.80	94.82		4,796
Sep 97	94.57	94.53	94.53	-0.03	4,975
Dec 97			94.48		847

Est. sales N.A. Fri's. sales 155
Fri's open int 9,771 off 83

5 YR. TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct

	High	Low	Close	Chge	OpInt
Jun 97	105-21	105-02	105-08	-13	181,601
Sep 97	105-10	104-55	104-58	-14	40,510
Dec 97			104-41	-13	277

Est. sales N.A. Fri's. sales 2,438
Fri's open int 30,772 off 192333

10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	OpInt
Jun 97	107-07	106-22	106-27	-09	276,688
Sep 97	106-23	106-07	106-11	-10	78,339
Dec 97			106-00	-10	1,920

Est. sales N.A. Fri's. sales 36,024
Fri's open int 356,947 off 1519

US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)

	High	Low	Close	Chge	OpInt
Jun 97	109-10	108-17	108-23	-15	397,348
Sep 97	108-27	108-05	108-10	-16	80,158
Dec 97	108-10	107-24	107-29	-15	26,841
Mar 98			107-19	-15	2,088

Est. sales N.A. Fri's. sales 126,077
Fri's open int 506,088 off 14837

LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct

	High	Low	Close	Chge	OpInt
Jun 97	94.29	94.29	94.29		14,661
Jul 97	94.22	94.21	94.21	-0.01	8,431
Aug 97	94.15	94.14	94.14	-0.01	3,785

Est. sales N.A. Fri's. sales 1,246
Fri's open int 29,571 up 511

LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct

	High	Low	Close	Chge	OpInt
Jun 97	112-13	112-02	112-12	— 0-03	166,591
Sep 97	112-22	112-12	112-22	— 0-01	28,751
Dec 97	N.T.	N.T.	112-10	— 0-25	

Est. sales: 128,854. Prev. sales: 88,741
Prev. open int.: 195,342 off 2,493

GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Jun 97	100.83	100.56	100.76	— 0.24	230,180
Sep 97	99.78	99.55	99.73	— 0.23	37,232
Dec 97	N.T.	N.T.	98.73	— 0.23	

Est. sales: 178,792. Prev. sales: 179,318
Prev. open int.: 267,412 off 4,647

ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Jun 97	129.90	128.90	129.82	— 0.08	88,500
Sep 97	130.36	129.51	130.32	— 0.09	20,461

Est. sales: 61,629. Prev. sales: 62,724
Prev. open int.: 108,961 off 1,035

10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Jun 97	128.50	128.08	128.44	+0.14	157,748
Sep 97	126.98	126.54	126.88	+0.10	17,615
Dec 97	96.40	96.40	96.30	+0.10	0

Est. sales: 234,960. Open int.: 175,363 up 1,639.

EURODOLLARS (CMER) $1 million-pts of 100 pct.

	High	Low	Latest	Chge	OpInt
Jun 97	94.18	94.16	94.17		435,916
Jul 97	94.09	94.07	94.07	-0.01	13,711
Sep 97	93.97	93.92	93.94	-0.03	467,843
Dec 97	93.73	93.67	93.68	-0.04	357,270
Mar 98	93.61	93.54	93.55	-0.05	265,538
Jun 98	93.49	93.42	93.43	-0.05	233,261
Sep 98	93.39	93.33	93.34	-0.05	171,201
Dec 98	93.28	93.21	93.22	-0.06	123,375
Mar 99	93.25	93.19	93.21	-0.05	96,246
Jun 99	93.21	93.14	93.16	-0.05	79,725
Sep 99	93.15	93.10	93.11	-0.05	66,073
Dec 99	93.06	93.02	93.03	-0.05	61,078

Est. sales N.A. Fri's. sales 200,911
Fri's open int 2,692,448

BRITISH POUND (CMER) 62,500 pounds, $ per pound

	High	Low	Latest	Chge	OpInt
Jun 97	1.6434	1.6272	1.6302		38,265
Sep 97	1.6310	1.6250	1.6272		4,461
Dec 97			1.6244		116

Est. sales N.A. Fri's. sales 11,343
Fri's open int 42,842 off 4680

CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr

	High	Low	Latest	Chge	OpInt
Jun 97	.7284	.7236	.7238		57,911
Sep 97	.7321	.7280	.7282		7,721
Dec 97	.7365	.7320	.7320		1,552

Est. sales N.A. Fri's. sales 10,012
Fri's open int 68,147 off 248

GERMAN MARK (CMER) 125,000 marks, $ per mark

	High	Low	Latest	Chge	OpInt
Jun 97	.5968	.5864	.5866		74,720
Sep 97	.6050	.5902	.5904		4,591
Dec 97	.5972	.5945	.5945		517

Est. sales N.A. Fri's. sales 9,024
Fri's open int 79,950 off 263

JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen

	High	Low	Latest	Chge	OpInt
Jun 97	.8675	.8588	.8592		81,579
Sep 97	.8734	.8704	.8706		5,537
Dec 97	.8835	.8815	.8822		783

Est. sales N.A. Fri's. sales 13,952
Fri's open int 87,908 off 2211

SWISS FRANC (CMER) 125,000 francs, $ per franc

	High	Low	Latest	Chge	OpInt
Jun 97	.7218	.7040	.7048		44,972
Sep 97	.7281	.7120	.7128		5,418
Dec 97	.7250	.7205	.7210		442

Est. sales N.A. Fri's. sales 10,483
Fri's open int 51,884 up 180

MEXICAN PESO (CMER) 500,000 pesos, $ per peso

	High	Low	Latest	Chge	OpInt
Jun 97	.12565	.12485	.12560		17,340
Sep 97	.12100	.12000	.12092		10,524
Dec 97	.11655	.11595	.11655		7,129

Est. sales N.A. Fri's. sales 4,351
Fri's open int 37,006 up 1073

3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Jun 97	93.42	93.40	93.40	— 0.04	115,773
Sep 97	93.19	93.16	93.17	— 0.03	105,256
Dec 97	92.99	92.97	92.97	— 0.03	96,058
Mar 98	92.84	92.83	92.83	— 0.02	60,212
Jun 98	92.74	92.73	92.73	— 0.02	43,415
Sep 98	92.68	92.66	92.66	— 0.02	33,761
Dec 98	92.63	92.62	92.62	— 0.02	26,477
Mar 99	92.61	92.59	92.59	— 0.02	19,024

Est. sales: 34,614. Prev. sales: 37,467
Prev. open int.: 531,302 off 1,747

3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Jun 97	96.81	96.80	96.81	+0.01	224,866
Jul 97	N.T.	N.T.	96.79	Unch.	1,512
Aug 97	96.77	96.76	96.77	Unch.	0
Sep 97	96.74	96.72	96.73	Unch.	213,312
Dec 97	96.59	96.56	96.58	-0.01	237,212
Mar 98	96.44	96.42	96.44	Unch.	209,157
Jun 98	96.26	96.23	96.25	-0.01	152,285
Sep 98	96.04	96.02	96.03	-0.01	124,820
Dec 98	95.76	95.74	95.77	-0.02	82,892

Est. sales: 82,116. Prev. sales: 135,160
Prev. open int.: 1,457,973 up 3,179

3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Jun 97	96.31	96.22	96.30	+0.09	57,796
Sep 97	96.33	96.24	96.31	+0.06	60,061
Dec 97	96.34	96.25	96.32	+0.07	33,049
Mar 98	96.27	96.20	96.27	+0.06	29,370
Jun 98	96.19	96.13	96.18	+0.04	24,860
Sep 98	96.06	96.00	96.05	+0.05	22,280
Dec 98	95.85	95.79	95.85	+0.05	15,795
Mar 99	95.61	95.54	95.60	+0.04	13,655

Est. sales: 127,735. Open int.: 277,068.

3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Jun 97	93.34	93.24	93.27	— 0.08	104,541
Sep 97	93.59	93.54	93.58	— 0.07	92,357
Dec 97	93.74	93.68	93.73	— 0.06	54,121
Mar 98	93.79	93.73	93.79	— 0.05	35,104
Jun 98	93.80	93.72	93.80	— 0.05	26,010
Sep 98	93.79	93.70	93.78	— 0.05	8,702

Est. sales: 50,805. Prev. sales: 34,600
Prev. open int.: 325,844 up 2,052

Industrials

COTTON 2 (NCTN) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Jul 97	73.00	72.30	72.97	+0.66	36,260
Oct 97	74.55	74.00	74.48	+0.65	4,017
Dec 97	75.20	74.65	75.13	+0.49	25,540
Mar 98	76.40	76.00	76.40	+0.50	3,739
May 98	77.15	77.00	77.15	+0.55	969

Est. sales N.A. Fri's. sales 3,105
Fri's open int 73,040 up 74

HEATING OIL (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	OpInt
Jun 97	57.92	55.00	55.20	-2.32	18,083
Jul 97	57.15	54.90	55.15	-2.33	37,859
Aug 97	57.50	55.50	55.80	-2.08	17,908
Sep 97	58.20	56.30	56.35	-2.13	9,261
Oct 97	58.90	57.00	57.00	-2.08	8,084
Nov 97	57.50	58.00	58.00	-1.73	7,599
Dec 97	59.90	58.00	58.65	-1.63	12,354
Jan 98	60.40	58.85	59.05	-1.53	7,864
Feb 98	59.60	58.75	58.85	-1.28	3,723

Est. sales N.A. Fri's. sales 20,535
Fri's open int 132,995 off 1015

LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.

	High	Low	Latest	Chge	OpInt
Jul 97	21.57	20.65	20.79	-0.84	112,182
Aug 97	21.67	20.75	20.84	-0.82	47,587
Sep 97	21.46	20.65	20.82	-0.74	30,395
Oct 97	21.33	20.70	20.75	-0.68	19,342
Nov 97	21.00	20.60	20.67	-0.63	16,781
Dec 97	21.00	20.50	20.58	-0.59	37,000
Jan 98	20.53	20.50	20.51	-0.55	17,278
Feb 98			20.45	-0.52	7,927
Mar 98	20.47	20.38	20.38	-0.49	4,505
Apr 98	20.35	20.30	20.31	-0.46	4,133

Est. sales N.A. Fri's. sales 81,480
Fri's open int 409,068 off 328

NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu

	High	Low	Latest	Chge	OpInt
Jul 97	2.370	2.280	2.361		39,740
Aug 97	2.360	2.280	2.350		20,345
Sep 97	2.330	2.270	2.310		16,948
Oct 97	2.330	2.275	2.315		19,620
Nov 97	2.430	2.360	2.420		7,924
Dec 97	2.545	2.480	2.525		12,640

Est. sales N.A. Fri's. sales 48,159
Fri's open int 212,401 up 1749

UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	OpInt
Jun 97	66.60	64.10	65.30	-1.62	23,597
Jul 97	64.50	62.10	62.90	-2.00	37,499
Aug 97	62.40	61.30	61.60	-1.97	10,139
Sep 97	61.70	60.30	60.40	-1.95	4,839
Oct 97	58.40	58.30	58.40	-1.90	3,242
Nov 97			59.45		1,895
Dec 97	57.30	57.10	57.25	-1.80	3,940

Est. sales N.A. Fri's. sales 31,635
Fri's open int 89,023 off 3663

GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons

	High	Low	Latest	Chge	OpInt
Jun 97	176.25	171.25	172.00	-5.75	22,777
Jul 97	177.00	172.75	173.00	-5.50	13,064
Aug 97	178.25	175.00	175.00	-5.25	7,996
Sept 97	180.00	177.00	176.75	-5.25	3,950
Oct 97	181.75	178.75	178.50	-5.25	4,634
Nov 97	N.T.	N.T.	179.75	-5.00	1,922
Dec 97	182.00	180.75	180.50	-5.00	7,526

Est. sales: 15,318. Open int.: 67,422 up 785

BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels

	High	Low	Latest	Chge	OpInt
July 97	19.88	19.12	19.22	-0.78	72,301
Aug 97	19.90	19.21	19.28	-0.72	37,876
Sep 97	19.89	19.28	19.36	-0.65	11,173
Oct 97	19.92	19.41	19.42	-0.59	8,427
Nov97	19.91	19.41	19.42	-0.56	6,027
Dec97	19.87	19.37	19.39	-0.54	12,270
Jan98	19.50	19.31	19.32	-0.53	8,246

Est. sales: N.A. Open Int:N.A.

Stock Indexes

S&P COMP. INDEX (CMER) 500 x index

	High	Low	Latest	Chge	OpInt
Jun 97	854.70	842.60	849.80	+2.85	173,812
Sep 97	863.10	851.50	858.40	+2.05	12,291
Dec 97	869.00	861.90	868.00	+2.50	3,270

Est. sales N.A. Fri's. sales 47,182
Fri's open int 191,463 up 2112

FTSE 100 (LIFFE) £25 per index point

	High	Low	Latest	Chge	OpInt
Jun 97	4707.0	4678.0	4687.0	+16.0	68,530
Sep 97	4737.5	4716.5	4719.5	+13.5	5,990
Dec 97	N.T	N.T	4768.0	+16.0	522

Est. sales: 7,473. Prev. sales: 10,233
Prev. open int.: 75,042 off 461

CAC 40 (MATIF) FF200 per index point

	High	Low	Latest	Chge	OpInt
May 97	2680.0	2637.0	2678.0	+22.00	23,966
Jun 97	2655.0	2612.0	2653.5	+22.00	30,251
Jul 97	2644.5	2613.0	2652.0	+22.00	2,222
Sep 97	2668.0	2631.0	2667.5	+21.50	12,912
Dec 97	N.T.	N.T.	2697.5	+21.50	451
Mar 98	2703.5	2687.0	2711.0	+22.50	7,999

Est. sales: 39,588. Open int.: 79,046 up 2,390.

Commodity Indexes

	Close	Previous
Moody's	N.A.	1,610.20
Reuters	1,990.70	2,015.50
D.J. Futures	163.03	162.49
CRB	250.73	251.31

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Cutting weight means cutting costs.
Our packaging subsidiaries – VAW Aluminium, Schmalbach-Lubeca and Gerresheimer Glass – are helping to lighten the load.
VIAG. Creating enduring value.
Fax +49-89-1254-4491
VIAG
Aktiengesellschaft

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	3:30	Chg.
Indus	7319.54	7394.95	7302.23	7358.27	+12.36
Trans	2682.27	2692.75	2670.86	2675.49	-17.88
Util	219.23	220.61	218.56	219.28	-1.28
Comp	2277.58	2292.93	2271.32	2283.04	-3.82

Standard & Poors

	High	Low	Previous Close	Today 4:00
Industrials	—	—	999.50	1006.26
Transp.	—	—	621.74	618.03
Utilities	—	—	191.62	191.37
Finance	—	—	94.68	93.35
SP 500	—	—	847.03	849.71
SP 100	—	—	831.95	835.59

NYSE

	High	Low	3P.M.	Chg.
Composite	441.50	437.26	441.34	+1.06
Industrials	562.45	556.22	562.39	+2.52
Transp.	404.53	401.84	403.96	-0.57
Utility	271.39	268.77	271.21	+1.78
Finance	396.80	392.59	393.95	-3.85

Nasdaq

	High	Low	3P.M.	Chg.
Composite	1408.79	1387.12	1407.47	+17.75
Industrials	1124.83	1114.74	1122.96	+6.11
Banks	1471.78	1463.95	1465.48	-6.41
Insurance	1515.08	1506.23	1509.61	-8.26
Finance	1784.73	1775.55	1778.73	-7.98
Transp.	938.78	926.68	937.15	+6.29

AMEX

High	Low	3P.M.	Chg.
598.94	597.54	598.72	+0.78

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	102.21	N.A.
10 Utilities	99.11	N.A.
10 Industrials	105.31	N.A.

Most Actives

NYSE

	Vol.	High	Low	3PM	Chg.
MicrnT	107868	42⅜	39⅝	42⅜	+4
AT&T s	96126	37⅞	36⅝	37⅝	+1⅛
Seagate s	49037	43⅝	40⅞	42⅝	+2⅛
GenElec s	46742	61⅞	60⅞	60⅞	-⅛
PhilMor s	43272	45⅝	44	45	-⅝
WSeml	42467	28⅞	27⅞	28⅝	+⅛
WasteEl	38837	18⅝	18⅛	18⅜	
BayNwk	36236	23⅛	21⅞	22⅝	+1⅛
PepsiCo	35208	37⅞	36	37⅝	+⅛
HewlPk s	30840	53⅝	52⅝	53	+⅛
NikeB s	30641	59⅝	56⅝	59	+2⅞
CypSem	24383	15⅛	13	15⅛	+⅛
Compaq	23863	107⅜	104⅛	107⅜	+2
IBM	23608	178	174	177⅝	+3⅞
CocaCl	23310	68⅝	66⅞	68⅝	+⅛

Nasdaq

	Vol.	High	Low	3:45	Chg.
3Com	162491	46⅜	43⅛	46⅜	+3⅛
Intel	116379	169	163⅜	168⅞	+5⅞
Cisco	111208	69⅞	66⅝	69⅞	+2
Microsft s	79599	127⅞	122⅞	127	+4⅛
ClmdCp n	73712	45⅝	40⅝	42	-4
AscndC	59277	55⅝	50⅞	55⅝	+4⅝
ApldMat	58025	72	67⅝	69⅞	+⅞
DellCpt s	54530	113⅞	106⅝	113⅞	+5⅜
SunMic s	53609	34⅝	33⅝	34⅜	+⅞
US Robt	49582	80⅝	75⅝	80	+5⅛
WorldCm s	49275	26⅞	25⅛	25⅝	
Oracle	40584	47⅝	46	47⅝	+⅝
ReadRt	39831	22⅛	20⅞	22⅛	+2⅛
Quantum	38132	40⅝	38⅝	39⅝	+1⅛
UnDemC	36085	19	15⅞	16⅛	-3⅛

AMEX

	Vol.	High	Low	3:45	Chg.
SPDR	12934	85⅞	84⅝	85⅞	+⅞
PropCT s	11224	7⅞	6⅞	7	+⅛
TWA	9077	7⅞	7⅝	7⅝	+⅛
ViacB	7226	29⅝	29⅛	29⅛	-⅛
GayICn	7066	8	7⅝	7⅞	+⅛
Amdhl	6167	8⅝	8⅜	8⅝	-⅛
XCL Ltd	4283	⅞	⅞	⅞	-
NorCp	4083	9⅝	9⅜	9⅝	+⅛
JTS Corp	3669	1⅞	1⅝	1⅞	+⅛
WEB Bel	3463	17⅞	17⅝	17⅞	+⅛

Trading Activity

NYSE

	Noon	Prev.
Advanced	919	1886
Declined	1408	644
Unchanged	866	813
Total issues	3193	3343
New Highs	118	207
New Lows	5	11

Nasdaq

	Noon	Prev.
Advanced	1679	2372
Declined	1650	1501
Unchanged	2194	1856
Total issues	5523	5729
New Highs	102	155
New Lows	79	69

AMEX

	Noon	Prev.
Advanced	209	348
Declined	235	186
Unchanged	153	186
Total issues	597	720
New Highs	30	47
New Lows	3	5

Market Sales

	Today 4:00	Prev. cons.
NYSE	439.21	501.00
Amex	18.05	21.65
Nasdaq	588.63	579.44

in millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Farrel Corp	-	.16	6-30	7-10
Heidemij NV	b	.2883	5-29	6-20
PowerGen PLC		b1.4215	6-6	8-11
Scor		b1.2174	6-4	-
Templeton Dragon	-	.47	6-3	6-13
Temple EmergMkt	-	.655	6-3	6-13
Templeton Russia	-	2.275	6-3	6-13
Templeton Viet	-	.065	6-3	6-13
Torch EngyRoy	-	.465	6-2	6-12
STOCK				
First Mutual Svgs	-	10%	6-11	7-2
INCREASED				
Amer Bankers Ins	Q	.21	6-3	6-17
CMS Energy	Q	.30	c	c
c-pay dates in Aug. unannounced.				
Cornerstone Bank	Q	.06	6-30	7-15
Friedman Inds	Q	.07	7-18	8-22
Jones Medical	Q	.025	6-16	7-1
US Bancorp PA	Q	.35	6-4	7-2
INITIAL				
FNC Finl Svcs n	-	.13	6-16	6-30
SPECIAL				
GulfCda adjpfl g	x	.01	5-30	6-12
REGULAR				
Albertsons Inc	Q	.16	8-1	8-25
Amcast Indl	Q	.14	6-5	6-23
Amer Bank CT	Q	.36	6-13	6-27
Am Ins Mtg 88	M	.10	5-31	8-1
Am Ins Mtg 85	M	.10	5-31	8-1
Cass Commercial	Q	.13	6-5	6-15
Cinn Financial	Q	.41	6-13	7-15
Commercial Bkshs	Q	.08	6-12	7-1
Delta Nat Gas	Q	.285	6-2	6-15
Farmer Bros	Q	.60	7-18	8-4
Florida Pub Utils	Q	.30	6-13	7-1
NewEng Elec Sys	Q	.59	6-10	7-1
OHSL Financial	Q	.22	6-30	7-15
PrudGlob Util A	b	.125	5-27	5-30
Philippine LgDis	b	.616	7-15	
PrudGlob Util B	b	.095	5-27	5-30
Patston Ral-Purl	Q	.30	8-18	9-5
SeacoastBnkgFL	Q	.20	6-20	6-30
Shelter Compo	S	.03	6-16	6-30
South Jersey Inds	Q	.36	6-10	6-30
StratonMnthly Div	M	.16	5-30	6-9
Texas Utils	Q	.525	6-6	7-1
Wellco Enterp	S	.10	6-6	6-27

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued. ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

...inong Plans ...Sell Off ...Businesses

...L — Dainong Group, ...ggling owner of South ...most luxurious de... store, said it would ...17 of its 21 businesses ...to stay afloat. ...elling several businesses, including its newspa... and a restaurant chain, ...aims to bolster its fi... and redress problems ...by over-expansion. "This is like cutting out the ...before it kills the entire ...," said Choi Byung ...senior fund manager at ...Investment Trust Co. The company will retain ...core retailing and tex... units, Dainong Corp., ...Co., Dainong Heavy ...Co. and Metro ...Co., which account ...about 70 percent of total ...sales. The conglomer... sales last year were 1.35 ...won ($1.52 billion) and ...assets of 1.8 trillion won ...equivalent to its debts.

ASIA/PACIFIC

Beijing Sets Opening in Telecoms

Foreign Firms to Aid A Second Network

Bloomberg News

BEIJING — China is poised to allow the establishment of a second fixed-line telephone network, giving foreign investors a crack at one of the world's fastest-growing markets, officials indicated Tuesday.

The State Council, China's cabinet, has agreed in principle to let China United Telecommunications Corp. operate local phone networks in three regions, officials said. Unicom, as the company is known, is teaming up with Sprint Corp. of the United States and a company controlled by Metromedia Co., another American concern.

"We think it's a major breakthrough," said Ken Wang, who oversees Sprint's ties with Unicom.

About one in 20 people in China has a phone, compared with one in two in neighboring Hong Kong. But the industry in China is growing at about 30 percent a year.

Shares in telecommunications companies based in Hong Kong surged as investors concluded that these companies would gain greater access to the booming Chinese market. Hong Kong Telecommunications Ltd. jumped 4 percent to 16.75 Hong Kong dollars ($2.16), its highest level since September 1994. China Everbright Group, an investor in Unicom, bought 8 percent of Hong Kong's biggest telephone company this month.

"Demand in China is massive," David Barden, an analyst at J.P. Morgan Securities Ltd., said. "The China fixed-line market can grow as fast as people can get capital for investment."

Unicom has found it hard to raise funds, in part because Beijing has been slow to define its role in the telecommunications market. Set up in 1994 to compete with the Ministry of Posts and Telecommunications monopoly, Unicom relies on foreign investors to expand its existing mobile-phone and paging services.

Sprint will help Unicom develop a local network in the northern city of Tianjin, while a company controlled by Metromedia will develop a similar network in the southwestern province of Sichuan and the municipality of Chongqing.

Kyodo via Reuters

Sega's chairman, Isao Okawa, left, and president, Hayao Nakayama, right, with Bandai's president, Makoto Yamashina, center, announcing the deal in January that was called off Tuesday.

Sega Jilts Bandai at the Altar

Video-Game Powerhouse Withdraws Offer to Buy Toymaker

Compiled by Our Staff From Dispatches

TOKYO — Sega Enterprises Ltd. said Tuesday it was withdrawing its offer to buy Bandai Co. a day before Bandai's board was to have voted on the deal, saying Bandai employees opposed the combination because of differences in the two companies' cultures and product lines.

Instead, the companies said they were considering a more limited alliance that could bring together Sega's popular Sonic the Hedgehog video game and Bandai's best-selling Tamagochi, the "virtual pet" on a keychain that has been a global phenomenon since its introduction last November.

The decision ends five months of wrangling over a proposal that could have created a powerful force in home entertainment. Sega is one of the top three makers of video games and game players, and Bandai is Japan's No. 3 toymaker.

"It was always hard to see the merits" of the deal, said Nanako Sakaguchi, an analyst at Dresdner Kleinwort Benson (Asia) Ltd. in Tokyo. "The character of the two companies proved to be too much at odds."

The deal would have created a company with annual sales of more than 600 billion yen ($5.18 billion) that combined Sega's expertise in video games and machines with Bandai's strength in toys, merchandising and multimedia.

Sega, based in Tokyo, said in January it would buy Bandai, an older company based in Osaka, for 129 billion yen by October and would use Bandai's popular characters, such as the Mighty Morphin Power Rangers, to enliven Sega's Saturn home video-game system. New game systems from rivals Sony Corp. and Nintendo Co. have lured away fans of Sega's home machine, although Sega retains the largest share of the arcade-game market.

As recently as Monday, Bandai said it expected its board to approve the deal at its meeting Wednesday. Kyodo News Service reported Tuesday that Bandai had made that announcement to quell rumors that its managers opposed the deal. Kyodo also quoted company executives as saying that Bandai's president, Makoto Yamashina, had been urged to reconsider the deal because of the difference in corporate cultures.

Bandai, with consolidated sales of 218 billion yen in the year that ended in March 1996, is Japan's largest toymaker and is particularly strong in so-called character toys. Sega cut its profit forecast for the last financial year to 11 billion yen from 27 billion yen, citing competitive pressures and inventory write-offs of 23 billion yen. It will report final results for the year Wednesday.

Sega's shares fell 20 yen to close at 3,700 on the Tokyo Stock Exchange. Bandai's shares fell 30 to close at 2,760. *(Bloomberg, AFP, Reuters)*

Hanoi Limits Foreigners' Internet Use

Reuters

HANOI — Vietnam announced rules Tuesday to prevent government bodies from releasing information on the Internet and to require diplomats and foreign organizations to seek approval before transmitting information on-line.

Foreign diplomatic staff, international organizations and foreign news agencies would be required to seek approval from the Foreign and Culture ministries to distribute information on the Internet, according to reports in official media. Approval would be given in the form of a license. Legislative, judicial and research organizations and other state bodies would not be allowed to connect with the Internet.

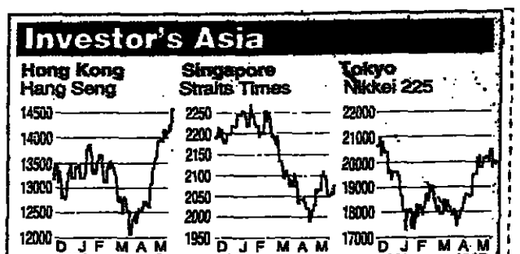
Vietnam currently forbids individuals to access the Internet, but a state-monitored gateway for public use is expected to be opened this year, affording the Communist country access to the worldwide computer network for the first time. Currently the only Internet access is through limited electronic-mail services run by state agencies. Officials say they are concerned about the possible inflow of material deemed subversive or harmful.

■ Cybershops Boom in Japan

Japan's Ministry of Post and Telecommunications said Tuesday that Internet-based shopping in Japan grew 40-fold in the financial year ended March 31, keeping pace with an increase in general Internet use, Reuters reported from Tokyo.

"Cybermall" shops sold about 28.5 billion yen ($245.9 million) worth of goods, up from 700 million yen the previous year. Japan, which still lags behind the United States and Europe in Internet use, also saw a sharp gain in the number of users in the past year, the report said.

Investor's Asia



Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	14,540.16	14,574.64	-0.24
Singapore	Straits Times	2,076.01	2,056.32	+0.96
Sydney	All Ordinaries	2,578.90	2,584.80	-0.23
Tokyo	Nikkei 225	19,889.89	20,043.50	-0.77
Kuala Lumpur	Composite	1,081.88	1,081.19	+0.06
Bangkok	SET	569.84	568.36	+0.26
Seoul	Composite Index	723.35	718.99	+0.61
Taipei	Stock Market Index	8,123.26	8,194.66	-0.87
Manila	PSE	2,710.91	2,598.20	+4.34
Jakarta	Composite Index	688.85	683.20	+0.85
Wellington	NZSE-40	2,321.52	2,311.05	+0.45
Bombay	Sensitive Index	3,692.55	3,701.65	-0.25

Source: Telekurs International Herald Tribune

Very briefly:

- **Nissan Motor Co.**, Japan's second-largest automaker, posted a profit of 77.74 billion yen ($670.8 million) for the year that ended March 31, putting it into the black for the first time in five years thanks to aggressive cost-cutting, the reversal of the yen's climb against the dollar last year and the recovery of the Mexican peso.
- **Japan's** chief cabinet secretary, Seiroku Kajiyama, said harsh penalties were needed to punish violations of banking laws.
- **General Motors Corp.** said it was considering building a parts plant in the Philippines but had decided not to assemble vehicles there.
- **Hong Kong's** business association, the Better Hong Kong Foundation, unveiled plans for a multimillion-dollar party to mark the first day of Chinese rule July 1.
- **PT Astra International**, Indonesia's largest automaker, plans a 1-for-1 stock split to try to improve the liquidity of its shares.
- **Singapore Telecommunications Ltd.** has invested about $40 million in two high-speed Internet links to the United States to try to make the island state a regional Internet hub.
- **China** and **Iran** signed an agreement on oil and gas exploration and development during a visit to Beijing by Iran's minister of petroleum, Gholamreza Aghazadeh, the Xinhua news agency reported.
- **Taiwan's** index of leading indicators fell 1.3 percent in April, strengthening evidence that sluggish exports are stifling growth. Economists had predicted a rise of 0.5 percent in the index.
- **Shanghai Automotive Industry Corp. (Group)**, China's biggest automaker and a joint-venture partner of **General Motors Corp.** and **Volkswagen AG**, is considering selling shares to the public.
- **Philippine** stocks surged for the fourth consecutive day, pushing the benchmark index up 4.34 percent, or 112.71 points, to close at 2,710.91, as investors decided that first-quarter growth data due this week would confirm that a five-year-old recovery remained on track. *Reuters, AP, Bloomberg, AFP*

Shanghai Favors France for Light-Rail Project Loans

Compiled by Our Staff From Dispatches

SHANGHAI — Shanghai is leaning toward France to provide government loans and equipment to build a light railroad through the city, a senior city official said Tuesday.

The 25 kilometer (15.5 mile) elevated light-rail line will follow an existing railroad track from Wujiachang in the northeast of the city, past the railroad station and down to the southwest.

President Jacques Chirac of France had said he would consider providing a loan for the project when he visited Shanghai earlier this month, said Huang Qifan, the city official.

On May 15, Mr. Chirac and President Jiang Zemin of China presided over the signing of a $1.5 billion contract for Airbus Industrie to sell 30 planes to a Chinese state-run aviation company.

"The French government has offered supplements to us," Mr. Huang said, adding that the city would use French suppliers if it accepted the loans. If France does win the light-rail contract, the main recipient is expected to be the British-French consortium GEC-Alsthom.

France had initially been favored as partner for Shanghai's two subway lines, but weeks before a contract was to be signed, Germany offered a loan and snapped up the project.

Mr. Huang said the amount of foreign government loans to be provided to the project was still under negotiation. *(AFP, Reuters)*

SONY: *New Chief Stages Surprising Turnaround for Ailing Studio*

Continued from Page 21

tween 1991 and 1996. Mr. Calley has installed Amy Pascal, former head of Turner Pictures, as president of Columbia Pictures; and, having ushered out Robert Cooper from Tristar, he has entrusted the operation there to Chris Lee, president of production.

Entertainment executives outside Sony detect a new mood.

"There is a reservoir of good will toward the company and John in particular," said Robert Bookman, an agent at Creative Artists Agency, which represents many leading actors, writers and directors.

But Mr. Calley's initial victories at Sony Pictures are no guarantee of long-term success, for his task is a daunting one. To begin with, once the current schedule of releases runs out, few films will be left in the pipeline. That is why Mr. Calley now spends many weekends reading two dozen scripts or more, although he says he is looking for quality, not quantity.

"I don't think you can decide how many films you are going to make," he said. "You have to make films you are crazy about."

Then, too, despite the initial good feeling, there is still much morale-mending to be done at Sony's studios, where, according to an agent, "paranoia among managers left people feeling they had to look after themselves and were pitted against one another."

Perhaps Sony's biggest entertainment challenge is one that Mr. Calley, at his level in the management hierarchy, can do little about.

Today, most other big studios have corporate ties that ensure steady ancillary markets for their films.

Walt Disney Co. has a ready buyer in its ABC television network, for example. Warner Brothers, a unit of Time Warner Inc., has its parent's HBO cable channel, the Turner cable network and the WB television network, and Twentieth Century-Fox, a unit of News Corp., can rely on its parent's Fox television network in the United States and satellite networks in Europe and Asia.

But Sony, despite all its talk over the years of media "synergy," has no direct ties to other media distribution systems.

There is strength in Sony's television programming business, which is responsible for such hits as "Mad About You," "The Nanny," "Wheel of Fortune" and "Jeopardy."

But in the absence of a guaranteed television distribution network, that business, like Mr. Calley's movie operation, remains riskily reliant on producing a continual string of hits.

"How well can Sony do up against these giant distribution and content machines like Disney and Time Warner and even News Corp.?" asked Harold Vogel, an entertainment analyst at Cowen & Co.

Mr. Calley, however, says Sony, as a global company, takes an international perspective on distribution. He said the company was racing to lock up distribution deals with television and cable companies worldwide for its American-made movies and television programs. Recently, for example, Sony invested in Rupert Murdoch's Japan Sky Broadcasting, a digital satellite-television service in Japan.

The company has also begun producing local entertainment programming for various markets, including 300 hours so far this year in China.

"One of the advantages that Sony has is the advantage of looking over everyone's mistakes over the last 10 years and deciding what they want to be in," Mr. Calley said.

There is a simple, central premise to Mr. Calley's strategy for Sony. "You want to do franchise films if you can," he said, referring to such spin-off machines as the Warner Bros. "Batman" series.

For sequel potential, he is betting on "Godzilla," which is in production for a May 1998 release and which he hopes will prove the validity of what he calls his concentric theory of film making:

"Of the 250 films that get made each year, about 35 are successful. There are certain films that are as close to sure things as you can get, or you take a shot with the next-generation actress, and you're a little farther out. Farther from the center is 'The Crying Game' territory, and that is very difficult to forecast. Our basic job is to get as many in the middle as possible."

64-Megabit Key

Profit Hopes Ride on New Chip

Bloomberg News

TOKYO — Three of the world's 10 largest semiconductor makers said Tuesday they expected profit to rebound after plummeting chip prices caused earnings to decline in the previous business year.

Fujitsu Ltd., Mitsubishi Electric Corp. and Toshiba Corp. forecast higher profits for this business year because of more stable prices for large memory chips and a shift to production of higher-grade semiconductors.

One of the three, Toshiba, also posted earnings Tuesday. Its group pretax profit fell 29 percent, to 125.4 billion yen ($1.08 billion), as sales rose 6.5 percent to a record 5.453 trillion yen.

The companies made their forecasts after releasing lower profits for the year that ended March 31, in line with analysts' expectations.

All three are betting that demand will rise for the latest generation of computer memory chips — 64-megabit dynamic random-access memory, or D-RAM, chips.

These semiconductors can each store the equivalent of about 64,000 pages of newspaper text — about four times the capacity of their 16-bit predecessors — but their manufacturers so far are getting prices of as much as $60 a chip, more than seven times the current market price of 16-bit chips.

A two-month trial subscription.

Save up to 60%

By maintaining a far-flung network of news-gathering resources, the World's Daily Newspaper brings you unrivalled coverage of world politics, business and economics, as well as science, technology, travel, fashion, the arts and sport — all from an international perspective.

Take advantage of this limited opportunity to try the International Herald Tribune with a low cost, 2-month trial subscription and enjoy delivery to your home or office every morning.

COUNTRY/CURRENCY		2 MONTHS NEWSSTAND PRICE	2 MONTHS OFFER PRICE	DISCOUNT OFF COVER PRICE
AUSTRIA	ATS	1,456	650	55%
BELGIUM	BEF	3,380	1,350	60%
DENMARK	DKK	780	360	54%
FINLAND	FIM	624	310	50%
FRANCE	FF	520	210	60%
GERMANY*	DEM	182	72	60%
GREAT BRITAIN	£	47	22	53%
GREECE	DR	18,200	9,100	50%
IRELAND	IRE	52	26	50%
ITALY	ITL	145,600	58,000	60%
LUXEMBOURG	LFR	3,3800	1,350	60%
NETHERLANDS	NLG	195	78	60%
NORWAY	NOK	832	390	53%
PORTUGAL	ESC	11,960	5,000	58%
SPAIN	PTAS	11,700	5,000	57%
SWEDEN	SEK	832	350	58%
SWITZERLAND	CHF	166	66	60%
ELSEWHERE	$	—	50	—

* For information concerning hand delivery in major German cities call toll free IHT Germany at: 0130-84 85 85 or fax (069) 9712 6311.

Yes, I would like to start receiving the International Herald Tribune.
☐ My check is enclosed (payable to the IHT)
Charge my: ☐ Amex ☐ Diners ☐ VISA ☐ Access ☐ MasterCard ☐ Eurocard
Credit card charges will be made in French Francs at current rates.
Card No:_____ Exp. Date:_____
Signature:_____
For business orders, indicate your VAT No:_____
(IHT VAT Number FR74732021126)
Mr/Mrs/Ms Family Name:_____
First Name:_____ Job Title:_____
Mailing Address:_____
City/Code:_____
Country:_____
Home Tel No:_____ Business Tel No:_____
E-Mail Address:_____
I got this copy of the IHT at: ☐ kiosk ☐ hotel ☐ airline ☐ other 28-05-97
☐ I do not wish to receive information from other carefully screened companies
Mail or fax to: International Herald Tribune
181 Ave. C. de Gaulle, 92521 Neuilly Cedex, France. Fax: +33 1 41 43 92 10
OR CALL +33 1 41 43 93 61
In Asia: +852 29 22 11 88. In the US (toll-free): 1-800-882-2884
E-Mail Me: subs@iht.com
Offer valid for new subscribers only. HA3M

NOTICE OF WORKS CONCESSION
(Directive 93/37/CEE)

1 - CONTRACTING AUTHORITY
Chambre de Commerce et d'Industrie Nice Côte d'Azur
20, Boulevard Carabacel - 06000 - NICE (France)
Tel: (33) 04 93 13 75 05 Fax: (33) 04 93 13 75 00

2A - LOCATION OF WORKS PERFORMANCE
NICE - COTE D'AZUR AIRPORT - NICE - 06200 - FRANCE

2B - PURPOSE OF THE CONCESSION OF WORKS, NATURE AND SCOPE OF SERVICES:
Reference of the project: A.E.I.
Purpose of the concession of works: Appointment of the beneficiary of an agreement of temporary occupation of a government-owned land within the airport area. The beneficiary will be responsible for financing, building and operating a real estate complex of 50,000 square meters intended to accommodate trade shows at the Nice Côte d'Azur Airport, and a parking of 25,000 square meters.

3A - DEADLINE TO SUBMIT APPLICATIONS: June 24, 1997 at 4 P.M.

3B - ADDRESS TO FORWARD APPLICATIONS:
Refer to 1 above - Direction des Grands Projets d'Equipements
Reference to indicate on the envelope: "A.E.I. - Appel à candidatures"

3C - LANGUAGE IN WHICH THE APPLICATIONS MUST BE DRAFTED
French

4 - PERSONAL, TECHNICAL AND FINANCIAL CONDITIONS TO BE MET BY THE CANDIDATES
The candidates, which can submit their applications either alone or in a group, will have to establish that they have financial capabilities as well as economic and commercial operating capabilities.
The financial capability of the candidate will have to be established by submitting relevant bank references, balance sheets and corporate accounts of the last three years or any other equivalent document as well as a list of similar transactions, in the establishment of which the candidate was involved.
The operating capability will have to be established by submitting references in the area of operations of showrooms or trade shows.
These references will have to be as precise as possible. They must indicate and describe achievements and projects from a commercial and economic viewpoint.
The candidate must be in order with its tax, tax related and social security obligations.
The candidates which do not meet the conditions mentioned in Articles 24 a), b), c), e), i) and g) of Directive no. 93/37/CEE could be excluded from participating in the selection procedures.

5 - CONTRACT AWARD CRITERIA:
The selection procedures with respect to candidates to be chosen will be carried out in two phases. First, the shortlisting phase according to which the list of candidates authorised to submit a tender will be approved. Second, the final selection phase with respect to the tenders submitted by the candidates accepted.
Selection criteria of the candidates during the shortlisting phase
▶ technical value (know-how and references)
▶ financial guarantees
Selection criteria of the tenders for the contract award
▶ technical and commercial value of the tender
▶ financial conditions of the offer

6 - OTHER INFORMATION:
Documents presenting the project and the major rights and obligations of the candidate are made available to the candidates at the address indicated in 3 above in exchange for a check of FF. 5,000 as guarantee. This check will be cashed if the candidate does not submit an acceptable application. The documents supplement the information given in this notice.
Meetings to present the project and visits at the site can be arranged.
Additional information can be requested in writing to the contracting authority at the address mentioned in 3 above.

Dainong Plans To Sell Off 17 Businesses

Bloomberg News

SEOUL — Dainong Group, the struggling owner of South Korea's most luxurious department store, said it would sell off 17 of its 21 businesses in a bid to stay afloat.

By selling several businesses, including its newspapers and a restaurant chain, Dainong aims to bolster its finances and redress problems caused by over-expansion.

"This is like cutting out the tumor before it kills the entire group," said Choi Byung Long, senior fund manager at Daehan Investment Trust Co.

The company will retain only its core retailing and textile units, Dainong Corp., Midopa Co., Dainong Heavy Industries Co. and Metro Product Co., which account for about 70 percent of total group sales. The conglomerate's sales last year were 1.35 trillion won ($1.52 billion) and total assets of 1.8 trillion won — equivalent to its debts.

Safra Republic Holdings S.A.
Luxembourg
Valne Number 595.113

Dividend Payment

At the General Meeting of Shareholders held in Luxembourg on May 14, 1997, it was resolved that a dividend of USD 4.50 per share (USD 2.25 after the stock split) be payable for the year 1996.

The dividend in respect of bearer shares will be payable from May 31, 1997 upon surrender of coupon nr. 9 at the counters of the Company's paying agents listed below.

Stock Split

At an Extraordinary General Meeting of Shareholders held in Luxembourg on May 14, 1997, it was resolved that the Company's stock be split by exchange of one existing share with a par value of USD 5 per share for two new shares with a par value of USD 2.50 per share. The split will be effective May 31, 1997.

For holders of registered shares, the share register will be updated to reflect the split. Such holders will receive, upon request, new share certificates. Holders of bearer shares may exchange their existing share certificates against new certificates at the counters of the Company's paying agents listed below, as of June 2, 1997.

Banque Internationale à Luxembourg S.A., Luxembourg
Republic National Bank of New York (Suisse) S.A., Geneva
Republic National Bank of New York (Luxembourg) S.A., Luxembourg
Republic National Bank of New York, London
Union Bank of Switzerland, Zurich

NYSE

Tuesday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.

The Associated Press.

Continued on Page 26

THE INTERMARKET

☎ +44 171 420 0348

TELECOMMUNICATIONS

Save up to 80% ON ALL International Calls

FREE: Remote Programmable Service, Speed Dialing, and Personalized Voice Prompts

No Start-up Fees • Multi-Lingual Operators Available • Email or Fax us
24 hours/day, 7 days/week • Perfect for Home, Office, Hotel, Fax, or Cellular Phones

SEE OUR INCREDIBLE RATES TO THE U.S.:

U.K.	21¢	SWITZERLAND	37¢
FRANCE	35¢	ITALY	49¢
GERMANY	37¢	EGYPT	99¢

ATTN: CALLBACK AGENTS! CONTACT DENNIS AT 201-928-2888

Call Nancy at: 44.171.360.5037 Fax: 44.171.360.5036
e-mail: tribune3@newworldtele.com http://www.newworldtele.com

For quicker reply please mention this number 158

CALL OUR U.S. OFFICE: 201-907-5155 OR FAX 201-907-5111

NEW WORLD TELECOMMUNICATIONS

HOA TEANECK ROAD • SUITE 114 • TEANECK, NEW JERSEY • 07666 • USA

Start Saving on Your International Calls Now!

• Premier Telephone Services • Lowest Rates Ever
• 24-Hour Customer Service • AT&T Fiber Optic Networks
• Great for Home, Office, Hotels and Cell Phones

Call Now for New Low rates!
Tel: 1.206.599.1991
Fax: 1.206.599.1981
Lines Open 24 Hours!

The Original **kallback** • Sales Agents Wanted

417 Second Avenue West • Seattle, WA 98119 USA
http://www.kallback.com • Email: info@kallback.com

HIRED HAND OR GLOBAL PARTNER?

YOU CHOOSE. As a TeleQ® agent you're a true partner in a full service, worldwide telecommunications alliance. Join us in marketing superior callback service, lower rates, PBX telecom equipment, peripherals and IPLs — with global support and a share of the profits! Agents or agent recruiters contact TeleQ today

WWW.TELEQ.COM

TeleQ® Telecommunication Alternatives Network Services Division

USA: 610.354.9070 ext. 233 Fax: 610.354.9853 E-mail: sales@telecom.com

---

Export/Export

NOAMEX INC.
LARGE GRADER OF USED CLOTHING
For women, men, children
PREMIUM & DOMESTIC QUALITY
DENIM JEANS & DENIM JACKETS
Export by piece, small packs, boxes
AFRICA, ASIA, EUROPE, MID-EAST, CENTRAL & SOUTH AMERICA
Tel: 718-543-0275 Fax: 718-543-0258 US

BUYING OUTLET FOR THE LARGEST Trading Companies Branded & Luxury goods. Fragrances/cosmetics, watches, sets, chinaware, crystal, handbags, optics, frames, sunglasses, fine cigars, Gucci, Tag Heuer, Cartier, Wedgewood, Swarovski, Herend, Ferragamo, Prada, Hermes, etc. Please call/fax TRADING DESK Tel: USA +1-212-607-0973 Fax: USA +1-212-807-9053. All calls treated with utmost confidence.

CASKETS
American Casket for export
Become a representative
For information fax in the US
(603) 925-8690

GENERIC CIGARETTES. American blend tobacco, lowest prices, private labelling available. FAX USA: 1 (954) 474-3666.

STAINLESS STEEL SECONDARY sheets-plate-strip-flats-tube-pipe 300 & 400 series. Steady supply. Fax: 610-337-3308 USA.

USED LEVIS 501-505-517. All colors/grades. Direct from USA international recognized dealer. Phone: 510-233-1500. Fax: 510-233-1583 USA.

DOMINICAN CIGARS, 9 styles, hand rolled, volume purchases only. Telefax: USA+954-474-3866

LEVI 501'S. Used and New Quality jeans direct from the USA. Honest and Reliable. Fax: 503-628-0743 USA

SMALL ARMS AMMUNITION/MILITARY equipment and supplies, lowest prices, volume only. FAX USA +954-474-3866.

Business Opportunities

OFFSHORE BANKS
COMPANIES & TRUSTS
IMMIGRATION/PASSPORTS

Banking-Accounting-Secretarial
Vat Registration-Invoicing
Mail-Phone-Fax Services Worldwide

Aston Corporate Trustees
19 Peel Road, Douglas, Isle of Man
Tel: +44 (0) 1624 626591
Fax: +44 (0) 1624 625128

London
Tel: +44 (0) 171 233 1302
Fax: +44 (0) 171 233 1519

E Mail: aston@enterprise.net

INTERESTING INVESTMENT Opportunities in Belgium? Definitely! HATS, Holidays and Travel Services, a young and dynamic company has developed a new and strong company has developed a new and strong concept in tourism and entertainment with great potential (over 3500 contracts in the travel industry). For further development, HATS is looking for investors (partnerships etc.). Tel: +32.9.222.50.57 Fax: +32.9.222.07.17

OFFSHORE COMPANIES. For free brochure or advice Tel: London 44 181 741 1224 Fax: 44 181 748 6556/6338 www.appleton.co.uk

OFFSHORE COMPANIES
READY MADE CO's, FULL ADMIN
TRADE DOCUMENTS AND L/C
BANKING & ACCOUNTING
CHINA BUSINESS SERVICES

Contact Stella Ho for immediate services & company brochure
NACS LTD, Room 1108, Albion Plaza
2-6 Granville Road, TST, Kowloon,
Hong Kong, e-mail: nacs@hk.super.net
Tel: 852-27241223 Fax 27224373

DYNAMIC & INNOVATIVE COMPANY with experienced ideas, approved patents and solid clientele seeks active partner respectively institutional or private support also from the hotel and resort industry, in order to expand. For application and further information please contact us under Box 298 I.H.T., 92521 Neuilly Cedex, France.

FASHION
Our client is the Premier Worldwide Fashion network in mail order for the greatest international brands. To become an exclusive correspondent in your state, your country. Please contact us
http://www.acaisire.com/contact
Fax: Paris: 33 1 45 44 47 77
Los Angeles: 1-213-954-0186

Established International Investment Banking Firm SEEKS ASSOCIATES to represent its financial products & services worldwide. Training & Video available.
LYONS CAPITAL INC. - U.S.A.
Tel: 804-643-0000 Fax: 804-643-0725
lyons@lyonscapital.com
http://www.lyonscapital.com

WORLD WIDE PROJECTS requires cash funding from $3M-$50M US$. Principal (100%) and fund provider's remuneration (30%) guaranteed by top 25 European bank.
Eurotel Luxembourg Holding
Fax: +32.11.23.49.41

MADE IN ITALY, EXPORT FROM ITALY every kind of consumer goods, foodstuffs, furniture, equipment, technologies. C.W.O. (cash with order) with L/C + F.O.B. system, only. Best quality/prices. Itemize your request to. C.I.G.I. via fax +39 434.32652

IF YOU HAVE COMMERCIAL Premises available, well situated and are ready to invest a minimum of US$50,000, you can become an IBC partner in Europe, Asia, Africa or America. Tel: Paris +33 (0)1 4757 7762. Fax: (0)1 4758 5517.

2nd PASSPORTS / Driving Licences / Degrees/Camouflage Passports/Secret Bank Accounts. GM, P.O. Box 70302, Athens 16610, Greece. Fax 8952152, http://www.global-money.com

I.B.C. SEEKS ACTIVE PARTNERS for the creation of highly profitable projects in USA, Asia, Africa and Europe. Tel Paris +33 (0)1 47 58 54 74. Fax: +33 (0)1 47 58 55 17 (Ref. 004).

AGENTS WANTED! To Sell US Corporations & LLCs from $300 (all inclusive) Corporate Consulting Ltd. Telephone: 302-529-0500 or Fax: 302-529-9005 USA

AUTHOR OF A UNIQUE STORY for a fabulous Western, seeks confident Film Producer or Director. Reply Box 0288, I.H.T., 92521 Neuilly Cedex, France.

FAMOUS DISCOTHEQUES OFFERED. 2 new/large successful franchise outlets in Singapore and Bali. Available in May. Owner retiring. Fax (65) 834 0395

IMPORT & EXPORT COMPANY IN LAUSANNE seeks a partner. If you are interested please fax + 41-21-601 07 25

POSZUKUJEMY DYNAMICZNYCH, mowiacych po polsku biznessemenow (panie nie wykluczone) dla expansji szybko rozwijajacej sie Amerykanskiej medycynardowej firmy prosze kierowac oferty na... Box 0297, I.H.T., 92521 Neuilly Cedex, France

I.B.C. seeks for its European, American, Asian and African centers: all new products for distribution. Tel: PARIS +33 (0)1 4757 3880. Fax +33 (0)1 4758 5517

PORTLAND CEMENT + KLINKER. We offer bulk-bagged any destination. Fax 972 3 9243104 or 39 2 5455454

SUCCESSFUL Candy & Ice Cream shop in Ft. Worth, Texas. $225K. Tel/Fax 817-283-5995 or 817-545-8256 USA.

TURKISH GROUPS await projects from all countries on tourism, industry, etc. Please fax: +90 212 2497681 for details.

ASSET PROTECTION
Offering a unique range of services to overseas investors in Canadian private corporations, real estate and portfolio investments. Our firm specializes in providing management and stewardship overview functions tailored to the specific requirements of overseas owners.
For more information, please contact:
L. Grunwald C.A.A.C.A. (U.K.)
Fax: Canada (416) 955-0783
E-Mail: grunwald@istar.ca

MANAGEMENT INT'L SERVICE
Your company domicile and office management, in The Caribbean. Personal and confidential service. All facilities including e-mail. Fax to:(809) 221-9060

US COMPANY, pertaining to a Group established 30 years ago, will source all types of US manufactured goods and materials for a modest commission. Brasvt (USA), Inc. (Miami). Tel: (305)374-3928, Fax: (305)374-5153, E-Mail: mc3408@caneci.net.

YOUR OFFICE IN DUBLIN. Serviced Offices, Mail, Phone & Fax, Offshore Co. Formations. Prestigious Address. Tel: +353 (1) 475 1891 Fax: (1) 475 1889

YOUR OFFICE IN LONDON
Bond Street - Mail, Phone, Fax, Telex
Tel: 44 171 290 9000 Fax 171 499 7517

Telecommunications

GlobeNet

GlobeNet, privately owned partnership with one of the US's largest cable T.V. providers, seeks to expand its Int'l Callback wholesale program. Only experienced callback operators with minimum monthly traffic need apply. This is for the serious callback reseller or master agent looking to improve their market position and margins. To receive an overview of our program, please contact Karan Yavil via fax at: 610-525-8610 or E-mail: gnet@minospring. com.

kallback 417 2nd Ave W. Seattle, WA 98119

The Original & Largest Discount Telecommunications Company

Tel: 1.206.599.1991
Fax: 1.206.599.1981
Email: info@kallback.com
www.kallback.com

Business Services

"LEARN "THE CHIC PARISIAN WAY" Be at your best it saves time! Mr., Ms., use your trip in Paris to improve or change your look and become a new person. All aspects of your appearance will be taken care of: Personalized advice. Shopping. Professional team: image makers, make-up, skin care, hairdressers... C.C. Consultant. Tel: +33 (0)1 43159588 9am to 2:30pm Paris time

MAILING LISTS by Berger & Company European business and consumer data Tel: 44 1312262996 Fax 44 1312267901

Tax Services

COMPUTE YOUR U.S. INCOME TAX exclusion, get extension filed using our Website-TAXHELPER.COM it's free! E-mail KLARINCPA@taxhelper.com or Fax: 714-833-1686 USA.

EXPAT INCOME TAX U.S.T.S., Inc. Returns and related services. Paris Rep: +33 (0) 1 4413 6944 Fax 4563 2496; London +44 (0) 171 722 3906.

Security and Surveillance

ANTI-TERRORISM EXPERT, equalizer. Personal protection. Tel: France +33 (0)6 0809 1479. Fax +33 (0)1 4270 7565

Banking

COMMERCIAL INT'L BANKING LTD
CREDIT
INFO: FAX +30 1 32 43 527

Capital Wanted

REQUIRED LOAN OF US$500,000-US$3 million for 30 days in exchange for an SBLC from first class bank. eg. Loan received US$1 million, we offer US$2 million SBLC as payment of principle plus interest. Funds must proof first. Fax to: 00-60-7-3513077

BUSINESS OPPORTUNITIES

SUPPLIER OF WELL KNOWN BRANDS
of Glassware, Porcelain and China is looking for strong buyers (wholesalers, discount-stores)
Please contact
World Wide Supplies Inc.
Fax: +31 (0)72 527 6199
The Netherlands

EMPIRE STATE BUILDING ADDRESS
Gain instant credibility. Establish a NY presence in the world's best-known building. Mail received, phone answering, conference room, furnished mini-offices.
EMPIRE STATE OFFICE SERVICES
TEL: 212-736-8672 • FAX: 212-594-1135

Don't miss our Special Report Telecommunications which will appear on June 9. 1997

Capital Available

ANGLO AMERICAN GROUP PLC

PROJECT FINANCE
VENTURE CAPITAL
GLOBAL COVERAGE
NO MAXIMUM
BROKERS WELCOME
For Corporate Brochure and information pack
Tel: +44 1924 201 365
Fax: +44 1924 201 377
You are welcome to visit us.

NON-RECOURSE FINANCING
AVAILABLE FOR INTERNATIONAL PROJECTS AND INVESTMENTS HAVING SATISFACTORY CREDIT SUPPORT OR GUARANTEES
Brokers Protected
PINNACLE CREDIT
Tel: (416) 601-2270; Fax: (416) 601-2280
Toronto, Canada

CAPITAL CORP.
M & A
Corporate Financing
Venture Capital
(Worldwide)
Tel: 001-407-248-0360
Fax: 001-407-248-0037 USA

GLOBAL PROJECT FUNDING
VENTURE CAPITAL-JOINT VENTURES
-PROJECT FINANCING
ABS INTERNATIONAL VENTURES
Tel: +44 113 2727 550
Fax: +44 113 2727 580
Fees are not requested prior to an offer of funding being made.

PROJECT FINANCING
Venture Capital - Joint Ventures -
No Maximum - Brokers Protected.
R.J.I. INTERNATIONAL
Tel: 001-242-363-1649
Fax: 001-716-779-8200

IRREVOCABLE BANK RESPONSIBLE FUNDING AGAINST SUITABLE GUARANTEE
MINIMUM US$10,000,000
TYPICAL COST 5%
LESS ON LARGER AMOUNTS
NO RISK DELIVERY
FOR MEETING FAX
+44 (0)171 470 7205

"IMMEDIATE & UNLIMITED"
Capital available for
ALL business projects!
MIN U.S. $1 mil/no max.
Int'l Business Consulting
(717) 397-7490 (U.S. FAX)
http://www.infobuscon.com (Internet)

UNLIMITED INT'L FUNDING / LOANS (commercial, project finance - start-up, development) through Prime International European Financial Sources. To itemize your project / request type to: CROWN INST. Inc. via fax + 212.972-9637 (USA)

Established Company Seeks Short Term Development Funding For Exciting Project
Contact: 0171-916 9026

IDEA OR INVENTION?
...then America's leading product development company is interested
INTERNATIONAL PRODUCT DESIGN
1 Harley Street, London W1N 2DA
+44 (0)171•436•1127

SUPPLIER OF WELL KNOWN BRANDS
of Car-Accessories
is looking for strong buyers (wholesalers, discount-stores)
Please contact
World Wide Supplies Inc.
Fax: +31 (0)72 527 6199
The Netherlands

You want to extend your financial activities on the Belgian market
We are an important Belgian financial institution who can offer you a national commercial distribution network
We guarantee you success in the short term
Please contact: Box D-479 - IHT 92521 Neuilly Cedex - France

COMMERCIAL FUNDING FOR ALL PROJECTS WORLDWIDE
Venture/Equity Capital
Business/Term Loans
Broker enquiries welcome
ETHIC INVESTMENTS LTD
FAX +44 (0)115 942 7846

FUNDS AVAILABLE
For Investment Programs
Proof of Funds Available
Through Account Holders at
Seven U.S. & European Banks
(212) 758-4242 Fax: (212) 758-1221
Attorney's & Brokers Invited
375 Park Ave., NY, NY 10152 USA

CAPITAL FUNDING AVAILABLE
Minimum $1M USD. Charges no retainer fees, interest 4% & up. Contact Ms. Harlen: Fax 604-824-1470 Canada.

COMMERCIAL/BUSINESS FINANCE available for any viable projects worldwide. Fax brief synopsis in English to Corporate Advances, (+)44-1273-621300.

GULF BANCOR LTD for funding all projects. Fax +31 118 456295, P.O. Box 381, 4380 AJ Vlissingen - NL

Financial Services

FUNDING PROBLEMS?
for
SOLUTIONS
Contact
BANCOR
OF ASIA
Bankable guarantees to secure funding for viable projects:
VENTURE CAPITAL
EQUITY LOANS
REAL ESTATE
Long term collateral
Supporting Guarantees
Fax: (852) 810-9284
Tel: (852) 804-5358
(Commission earned only upon Funding)
Brokers Commission Assured

WORLD WIDE FINANCING
*Commercial Mortgages
*Venture Capital
*Stock Loans
*Project Funding
*Letters of Credit
*Accounts Receivable Financing
*Private Placement
*Public Shells
Tel: (212) 758-4242
Fax: (212) 758-1221
Broker's Welcome
375 Park Ave., NY, NY 10152 USA
Refundable Retainer
Sometimes Required.

FINANCIAL GUARANTEES
Insurance / Reinsurance backed guarantees for qualified business projects.
Tel: 561-999-3222
Fax: 561-998-3225 USA
northcorp@worldnet.att.net

U.S. DOLLARS AVAILABLE
* Trading Programs/Venture Capital
* Equity Loans/Bridge Loans
* Import/Export Financing
* $2M-$50M Funds Guaranteed
By Top Financial Institutions
242-356-0444/356-0358/Fax:242-326-3555

Agents Wanted Worldwide
30% COMMISSION OFFERED
Non-exclusive independent agents needed immediately in all countries by the Finance Merchants Group of Nassau, Bahamas to market our Class A international commercial banks and Class B offshore banks.
A unique and profitable opportunity!
FINANCE MERCHANTS GROUP
Contact Ms. Anne Gregory for further details and available banks
24-HOUR GLOBAL COMMUNICATION CENTER
Tel. (602) 230-4153 (USA) - Fax (602) 230-5214 (USA)
BAHAMAS OFFICE
Tel. 242-394-7080 - Fax 242-394-7082

INT'L FRANCHISES

JUST PUBLISHED
International Herald Tribune's
International Franchise Guide
INTERNATIONAL MASTER FRANCHISE & AREA DEVELOPMENT OPPORTUNITIES
The definitive guide devoted solely to international franchising. Detailed, up-to-date profiles on the world's leading international franchisors. 176 pages. US$34.95 (includes shipping)
Send to IHT Guide, P.O. Box 12488, Oakland, CA 94604. Cash, Money Order, Visa or M/C (send Acct. #, Expir. Date & Approval Signature).
Tel: (510) 839-5471 or Fax: (510) 547-3245
E-Mail: sourcebook@earthlink.net Website:www.franchiseintl.com
International Herald Tribune
THE WORLD'S DAILY NEWSPAPER

FUNDING COMMITMENTS
ISSUED BY MAJOR BANKS
FOR FUNDS FIRST TRANSACTIONS
Tel: 561-637-4363
Fax: 561-637-4364 USA

Serviced Offices

Your Office in Germany
we are "at your service"
* Complete office services at two prestige addresses
* Fully equipped offices for short term or long term.
* Internationally trained office and professional staff at your disposal.
* Can be legally used as your corporate domicile for Germany/Europe.
* Your business operation can start immediately.
* Since 1972.
Lairco Business Services GmbH
Lairco-Haus am Holzhausenpark
Juistenstrasse 22,
60322 Frankfurt am Main
Germany
Tel: (69) 95515-0
Fax: (69) 595770

COMMERCIAL COORDINATORS SWITZERLAND
* Board representation
* Full administrative and secretarial services
* PR and social function arrangements
* Translations, copy writing in German, French, English
* Meet and greet you or your clients Geneva and Zurich
* Property search, relocation assistance
* Offices in German and French speaking Switzerland.
CCS
Commercial Coordinators Switzerland
Schanzeckerstrasse 16
Tel/Fax +(41) 1-362 34 97
E-mail: c-c-s@access.ch

YOUR OFFICE IN PARIS
is ready when you need it, even for a couple of hours.
* Fully functional modern offices and conference rooms to rent by the hour, day, month etc....
* Your tactical or permanent base
* Prestige mailing address. All services B B E ****
91, Fg St-Honore 75008 Paris
Tel +33 (0)144713636. Fax (0)1 42661560

World-Wide Business Centres Network ®
START YOUR BUSINESS TODAY!
Business addresses, furnished offices, meeting facilities in: Austria, Belgium, France, Germany, Great Britain, Italy, Netherlands, Portugal, Switzerland
Please contact: Sales Office in Zurich
Tel. +41-1 214 62 62
Fax +41-1 214 65 19
E-mail: wwbcn_zurich@bluewin.ch
web: www.wwbcn.ch

TAX FREE HAVEN
in the heart of Nassau
Prestigious Office Space Available
Secretarial Services, Private Phone & Fax, Conference Room
Full/Part-Time Office Rental
Tel: 1-242-356-0444 Fax: 1-242-326-3555

Financial Investments

S&P FUTURES TRADERS!
%C-DT NOW AVAILABLE IN EUROPE & ASIA
MAXIMIZE PROFIT POTENTIAL
Unique TraderAssist Program is now open for a limited number of investors. Proven track record. Contact system developer for more info at:
Tel 561-776-0895 Fax 561-776-0897
E-mail: jfccnt@aol.com
Creative Breakthrough, Inc. (USA)

FOREIGN EXCHANGE COMMODITIES *FINANCIALS FULLY LICENSED* PRIVATE ACCOUNTS. TEL: (1) 972 702 8841 FAX: (1) 809 494-5216

Diamonds

ROUGH DIAMONDS. We will pay instant cash for gem quality, African origin, volume only. Fax: 954 474-3866 USA

COMMERCIAL & INVESTMENT PROPERTIES

Rentals

PARIS 6th - ODEON, 3 rue Crebillon, unfurnished shop, commercial lease. Rental: FF9,500 / month + VAT. Tel: +33 (0)1 43257074. Fax +33 (0)1 43251654.

GENERAL

Announcements

Attention visitors from the U.S!

If you enjoy reading the IHT when you travel, why not also get it at home?
Same-day delivery available in key U.S. cities

Call (1) 800 882 2884
(In New York call 212 752 3890)
Herald Tribune STOCKHOLM
THE WORLD'S DAILY NEWSPAPER

VIENNA, AUSTRIA. Tel: 713 - 3374. Are you sad or worried? Lonely or depressed? Are you despairing or suicidal? It helps to talk about it. Phone: BEFRIENDERS in total confidence, Mon-Fri. 9:30 am - 1 pm and every day 6:30 pm - 10pm.

FRENCH OPEN TICKETS, center court tickets from $100 to $350. Tel. Paris +33 (0)1 4235 4703 or +33 (0)6 8050 5789.

Legal Services

DIVORCE 1-DAY CERTIFIED
Call or Fax (714) 969-8695. Write: 15787 Beach Blvd. #137, Huntington Beach, CA 92648 U.S.A. - e-mail - wslorm@juno.com

AMERICAN LAWYER ZURICH Complete professional service for all commercial, business, real estate and USA investments. All your interests in America under legal management. Over 25 years experience. 10 from Zurich. Purvines & Associates, International Business and Legal Consultants, Loren L. Purvines, Juris Dr. Fax +41-1-825 8234. Tel: +41-1-825 8232

DIVORCE IN 1 DAY. No travel. Write: Box 377, Sudbury, MA 01776 USA. Tel: 508/443-8387, Fax: 508/443-0183.

For Sale & Wanted

COPPER CLAD LAMINATE FOR SALE Large quantities of FR-2, FR-4, CEM-1 and thin core copper clad laminate for sale at discount prices. All inventory is U.L.approved. Please contact us at: Universal Laminates- USA division. Tel: 508-469-9200 Fax: 508-372-8592.

BEAUTIFULLY designed crafts from Thuya wood; chess boards, boxes, trays, office items and more. Volume purchase only. Fax Morocco. (212) 224 4193.

Real Estate for Rent

Paris Area Unfurnished

PARIS 16th WEST,
- 2nd floor, 65sq.m., 2 rooms+ parking-cave+heat, as new, FF7,500/mo.
- 6th floor, 45 sq.m. studio, as new, FF4,500/mo. Tel +33(0)142156825

Paris Area Furnished

6th, ODEON, high class studio in town house, charming, quiet, fully equipped. Fr5,500 net. Tel: +33 (0)1 46 99 04 60.

DE CIRCOURT ASSOCIATES
Ideal accommodation: studio-5 bedrooms
Quality and service assured
READY TO MOVE IN
Tel +33(0)1 43129800. Fax (0)1 43129808

AT HOME IN PARIS
PARIS PROMO
Apartments to rent furnished or not.
Sales & Property Management Services.
25 Av Hoche 75008 Paris Fx 01-45811020
Tel: +33 (0)1 45 63 25 60

AGENCE CHAMPS ELYSEES
Specialists:
Furnished apartments, 3 months or more or unfurnished, residential areas.
Tel: +33 (0)1 42 25 32 25
Fax: +33 (0)1 45 63 37 09

Switzerland

GENEVA, LUXURY FURNISHED apartments. From studios to 4 bedrooms. Tel: +41 22 735 6320 Fax +41 22 7362871

Real Estate for Sale

Paris and Suburbs

PLACE DES VOSGES, 30 sq.m., deluxe, furnished, 2 rooms, quiet, bright, fireplace, bathtub. Owner: +33(0)1 42409262

French Riviera

CAP D'ANTIBES. Unique panoramic view, waterfront, 30 min. drive from Nice Airport, superb house with a surface area of 170 sq.m., completely renovated, comprising 5 bedrooms, swimming pool, 1153 sq.m land, surrounded with old trees. Ideal for second residential house. Price US$ 1.9 M negotiable. Contact Fionna Parsons, Tel: UK 44 171 437 9165. Fax: 44 171 287 5679

Holidays and Travel

EXCLUSIVE TRAVEL SERVICES
I am your personal tour guide and travel consultant. Luxembourg Tel/fax: +352.51.76.03

Holiday Rentals

Paris & Suburbs

JULY-AUGUST. 2 rooms, 50 sq.m. furnished, Paris 17th. FF6,000/mo or FF2,000/wk. Tel: +33 (0)1 42289646

Employment

Executives Available

HARVARD FEMALE LAWYER, seeks part-time employment, while establishing. Highly motivated & experienced (Paris based, fluent), Fully bilingual, strong trans-industry skills, computer literate. Flexible, all reasonable offers considered. Fax (Ref. IHT) +33 (0)1 45021234. Write Box 295, IHT, 92521 Neuilly Cdx France.

CONFERENCES

July 25-28, 1997
INTERNATIONAL CRAFT EXPOSITION
Rosemont Convention Center
(five minutes from O'Hare International Airport)
Searching for business opportunities? Attend the creative industry's most important trade-only exposition. Meet the leading manufacturers and suppliers. Shop over 2,000 stands showcasing hundreds of thousands of products including art materials and framing, craft and scrapbook supplies, cake decorating supplies, fabrics and notions, floral and trimmings, miniatures and doll houses, needlework, quilting and sewing supplies, rubber stamps and stencils, and much more. Gain insights on future trends, techniques and business strategies with more than 200 hours of education. Honored by Tradeshow Week as one of the top 200 U.S. trade shows. Sponsored by the world's largest creative industries organization, the Association of Crafts & Creative Industries (ACCI).
Contact: Offinger Management Co. Tel: 614-452-4541 - Fax: 614-452-2552
E-mail: ice.info@offinger.com Web:www.creative-industries.com/ice
CHICAGO, ILLINOIS, U.S.A.
TO ADVERTISE IN CONFERENCES & EXHIBITIONS, PLEASE CONTACT PARIS ON FAX: +33 1 41 43 93 70

AUTOMOBILES

Exclusive tax free cars
Alfred Escher Street 10
CH-8027 Zurich
Fax: 01/202 76 30
Tel.: 01/202 76 10
new TAX-FREE used
ALL LEADING MAKES
Same day registration possible, renewable up to 5 years
We also register cars with (expired) foreign (tax-free) plates

Automobiles

JEEP WRANGLER, CHEROKEE AND GRAND CHEROKEE
Dodge Trucks, Voyager Minivans, Automobiles
Direct U.S. Export Sales
Worldwide Delivery, including CIS Countries
Large Selection Available Immediately
Spare Parts and Accessories
SAITCO
3202 Mth Dr.,
Westminster, MD 21157 USA
Tel: (410) 876-8297 Fax: (410) 848-7581

SALE: MERCEDES CL 600 Coupe (L/H drive) Elegance BRAND NEW, Color: Emerald Black Mica. Unregistered Fully loaded. Taxfree ex-Mercedes dealer: DFL 256K (1US$ = ca DFL 1,90) Contact: Mr G Op de Kamp, Mercedes Holland. Tel: +31-77-382 9999 Fax: +31-77-387 2548

Auto Rentals

RENT AUTO DERGI FRANCE WEEKEND: FF500. 7 DAYS FF1500. TEL: PARIS +33 (0)1 43 68 55 55.

Autos Tax Free

NEW/USED US/CANADA/MINIVANS on-road vehicles. P.U. Cars, Worldwide Exporter. Fax +41 32 645 27 26. Tel: 27

SCOTTSDALE, ARIZONA USA
Auto Dealership on main street in high-end retail area. Perfect for luxury car franchise. 3725 sq. ft. canopy covered display area at street front. 5,200 sq. ft. beautifully appointed showroom and office space; over 10,000 sq. ft. enclosed service department with 15 bays. Additional parking on rooftop. Call:
Tel: +44 (0) 1923 853 101
Fax: +44 (0) 1923 859 050

TRANSCO BELGIUM
20 YEARS WE DELIVER CARS TO THE WORLD
All makes and models
Export Sales - Registration
Shipping - Insurance
Transco, 51 Vossenchijnstr., 2030 Antwerp, Belgium.
Tel: +32 3 542.82.40
Fax: +32 3 542.58.97

25 YRS OCEANWIDE MOTORS worldwide supply and shipping of AUDI Mercedes, BMW, Porsche. Call Germany +49-211-434646 or fax 211-454 2120

ATK WORLDWIDE TAX FREE CARS. Export + shipping + registration of new & used cars ATK NV. Tarmenlei 40, 2930 Brasschaat, Belgium. Phone: +32 3 6455002. Fax +32 3 6457109. ATK, since 1959

Auto Shipping

SAVE ON CAR SHIPPING. AMESCO, Kribbesstr 2, Antwerp Belgium. To/From US, Africa. Regular Ro-Ro sailing. Free hotel. Tel: 32/3/231-4239 Fax 232-6353

Tuesday's 4 P.M.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Tuesday's 4 P.M. Close

(Continued)

SPONSORED PAGE

MOSCOW
EXCITEMENT

EAGLE

The Renaissance Moscow Hotel is
needs – from conference facilities
equipped fitness center.

RENAISSANCE PR
V. Celni
CZ-11000 P
Czech Re
Tel.: (420 2) 2
Fax: (420 2) 2

SPONSORED PAGE SPONSORED PAGE

Renaissance traveling with

Moscow and Prague: Excitement of the East

Unforgettable sights and experiences brought 70 million people to Prague in 1996: the walk across the Charles Bridge and the climb up to the Hradcany, the city's fortified "upper town"; the mute testimony of the gravestones in the New Jewish Cemetery; the chamber music in the churches; and the bustle along the Celetná, the main shopping street.

Another attraction is not listed in any guidebook, but you feel it the moment you set foot in Prague: the excitement of being in a city that – building by building, street by street, quarter by quarter – is returning to life. It is fascinating to be in the capital of a country that is successfully modernizing its economy while relaunching one of the world's most venerable and venerated traditions of democracy.

Moscow teems with a similar excitement. The scope of its economic and political transformation is even greater than that of Prague. Today's Moscow is a jumble of lovingly restored neighborhoods and vast new construction sites, interspersed with the Kremlin, Red Square and other sights attracting tourists from all over the world. Arriving with the tourists are legions of businesspeople, who hope to realize the potential of the Russian market.

PLEASURES IN PRAGUE

Just walking around Prague is a great pleasure, especially on a warm summer day. Attending a cultural event in one of the city's historic buildings is an even greater pleasure. A peak experience is an opera staged in one of the city's resplendent palaces. Many of these operas were written by such Czech greats as Dvorak, Janacek and Smetana. Others, such as "The Marriage of Figaro," first found fame in Prague, a city of accomplished composers and appreciative connoisseurs.

After a disappointingly short run in Vienna, "Figaro" received a rapturous reception when it came to Prague, and its fame then spread around the world. On the heels of it came a commission for Mozart from a local princely family. The result was "Don Giovanni," premiered in Prague in 1787.

This summer, the passionate tale of lust and revenge will be performed in the perfect setting and at the perfect time. The place will be the courtyard of the Lichtenstein palace, perched immediately below the Hradcany's fortifications. The time will be evenings in July and August.

"Don Giovanni" and another well-loved classic, "La Traviata," form the centerpiece of the Renaissance Prague Hotel's "Open Air Opera" packages. Offered from July 11 to Aug. 18, these packages come with the hotel's wide range of features and amenities, including extra-large rooms, 24-hour room service, unrestricted access to the hotel's fitness center and its swimming pool, limousine and bus service to the airport, in-house parking and a fully equipped business center.

The latter is of great interest to 70 percent of the guests staying at the Renaissance Prague Hotel's 315 rooms: international executives in Prague to do business in the rapidly growing economy. Many of these executives stage meetings or seminars in the hotel's 10 conference rooms and banquet halls, which range in capacity from 10 to 240 persons.

Prague now offers a profusion of cuisines equaling that of London, Amsterdam or any other center of multicultural culinary fare. The Renaissance Prague Hotel's restaurants exemplify the city's new gastronomic diversity. The Potomac offers contemporary American cuisine. The Pavillion has an ever-changing range of buffets for breakfast, lunch and dinner. The U Korbele serves the famous beer, dumplings and other culinary creations of Bohemia.

The Renaissance Prague Hotel is located in the heart of the city's downtown district, on V. Celnici, a street just four short blocks away from the main train station.

The centrally located Renaissance Prague Hotel offers state-of-the-art facilities and services, extra-large rooms, fine cuisine and "Open Air Opera" packages, available from July 11 to Aug. 18.

BUSINESS IN MOSCOW

Business travelers do not necessarily judge a hotel by the size of its rooms or the softness of its beds, but rather by the quality and range of its services. In many parts of the world, hotels are the base of operations for business executives, who use them to hold sales seminars, recruit personnel and handle everything from transmitting data to getting visas.

There is an enormous need for business-related services in Russia, which is a new and rapidly changing market for most of the world's business community. This is why the Renaissance Moscow Hotel offers such a wide range of business-related facilities, including a conference center seating up to 300 people and equipped with booths for simultaneous translation. The hotel also has 12 other conference rooms and a business center with state-of-the-art communication systems and fully equipped private offices.

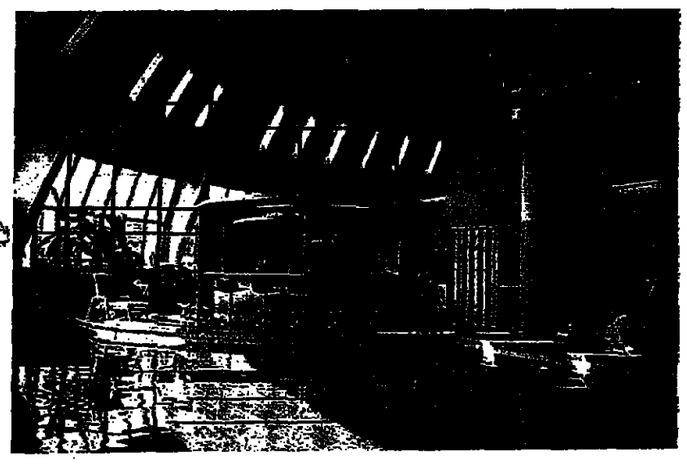
Business travelers also appreciate comfortable accommodation. In fact, they insist upon it – and at value-for-money prices. The Renaissance Moscow Hotel more than lives up to all their expectations. Located on the hotel's top floor, the Renaissance Club offers 60 king-sized bedrooms and a range of suites; guests are offered butler service, separate check-in and check-out facilities, and much more.

All of the guests staying in the Renaissance Moscow Hotel's nearly 500 rooms and suites enjoy such state-of-the-market amenities as satellite television and satellite telephones, a superbly equipped fitness club, and a wide choice of on-site restaurants, bars and cafés.

For both business and leisure travelers, the hotel's location is one of its prime attractions. The Renaissance Moscow Hotel is situated next to the Olympic complex and within a 10-minute ride from the heart of the city's downtown district.

An exceptionally large number of tourists will be in Moscow this year. The city is celebrating the 850th anniversary of its founding with fireworks, folkloric events, ballet and opera festivals, and a wide range of other attractions.

In addition to accommodation, the Renaissance Moscow Hotel's "850 years of Moscow" package includes transportation to and from the airport and the "Moscow 850 pass," which entitles its bearer to discounts at the city's museums and a number of its stores.



The Renaissance Moscow Hotel is equipped to handle everything a business traveler needs – from conference facilities and translations to excellent dining and a superbly equipped fitness center.

Renaissance Prague Hotel
V. Celnici 7
CZ-11000 Prague 1
Czech Republic
Tel.: (420 2) 21 82 21 00
Fax: (420 2) 21 82 22 00

Renaissance Moscow Hotel
Olympijskij Prospect 18/1
Moscow 129 110
Russia
Tel.: (7 095) 931 9000
Fax: (7 095) 931 9076
Satellite telephone: (7 502) 223 9000
Fax: (7 502) 223 9076

Renaissance In Europe

Headquartered in Eschborn, a northern suburb of Frankfurt, Renaissance Hotels International is responsible for operating 68 Renaissance and Ramada hotels in Europe, Africa and the Middle East. For reservations and further information on these or any other Renaissance, Ramada or New World hotels, please call (353) 213 58030 or fax (353) 213 58040.

For further information, please contact:
Renaissance Hotels International
Frankfurter Str. 10 - 14
D-65760 Eschborn
Germany
Tel.: (49 6196) 496 0
Fax: (49 6196) 496 115

"Renaissance in Europe" was produced in its entirety by the Advertising Department of the International Herald Tribune.
Writer: *Terry Swartzberg in Munich.*
Program director: *Bill Mahder.*

OECD Bars Easing Rules For Russian Membership

Compiled by Our Staff From Dispatches

PARIS — OECD ministers on Tuesday welcomed the prospect of a significant increase in the organization's membership, but said there could be no question of weakening the criteria for entry for Russia.

The Organization for Economic Cooperation and Development offered Moscow a closer partnership but no firm date for joining the international free-market group. Instead, the OECD forged a new cooperation pact with Russia and vowed to help it liberalize its economy.

Negotiations are in progress for Slovenia to become the organization's 30th member, and Argentina, Chile and Israel are among 20 countries that have expressed interest in joining the organization, Britain's Foreign Office minister, Tony Lloyd, said at the OECD's annual ministerial meeting.

Ulrich Stacher, Austria's director-general for economic coordination, said: "The OECD of tomorrow will certainly be a larger and more varied organization that it has been in the past. A broader regional base would be a major advantage for the OECD."

Potential members are expected to have a level of democratic, economic and social development close to that of existing members.

"The OECD has to maintain the highest possible standards so new entrants must meet those standards," Mr. Lloyd said.

Russia applied for OECD membership a year ago, but Donald Johnston, the secretary-general, said last week that acceptance was still a long way off. *(AFX, Reuters)*

Greece's Fleet Faces a 'Depressed Scene'

By John Tagliabue
New York Times Service

PIRAEUS, Greece — The Piraeus Yacht Club, where shipping deals are struck over heaps of grilled squid, juts out from a rocky outcrop like the bridge of a svelte cruise liner. These days, that bridge faces stiff headwinds.

This is no small matter, either in this seafaring town near Athens or in a country like Greece. While Greece may be an economic dwarf in the European Union, its merchant fleet is a commercial giant, accounting for about half of all European shipping and almost 20 percent of the world's shipping fleet.

Over the past year or so, expansion of the Greek fleet has far outstripped demand for cargo space. World seaborne trade rose 3 percent to 3.5 percent in 1996, compared with 3.7 percent a year earlier; and where large cargo carriers earned about $14,800 a day in 1995, according to Clarkson Research Studies, a shipping group, they now earn $9,985.

The value of the big cargo haulers you see when you look out over the Piraeus harbor has fallen by about half since the start of 1995, and the result has been financial leakage.

Last year, the 85-vessel Adriatic Tankers, controlled by Panagis Zissamatos, was crushed under $620 million in debt and declared insolvency. This year, Unimar, an operator of small bulk carriers, and Marcantonakis, an automobile transporter, are in financial straits, and the group headed by Menis Karageorgis, a former head of the Union of Greek Ship Owners, is in a dispute with bankers over loans.

"We're not talking a full-blooded shipping crisis yet," said Nigel Lowry, local correspondent for the trade newspaper Lloyd's List, "but a bit of a depressed scene."

Depression, of course, is nothing new to Greek shipping, which has watched its fortunes ebb and flow over the years. Modern Greek shipping was born in the last century, uniting mainland Greece with the 2,000 or so Greek islands in the Aegean Sea. In recent years, while much of world shipping raced after the efficient container-traffic routes, the Greeks excelled at "taxi" services, chartering cargo vessels by the day or the voyage.

Traditionally, powerful Greek shipowners such as Stavros Niarchos and Aristotle Onassis, or more recently George Livanos and John Latsis, stayed solvent by playing the ship market, buying used vessels when prices were down and selling when they revived. The result was a carousel of shipping families.

Not surprisingly, the financial squeeze has brought movement into the market that experts say has been accelerated by the rise of a young generation of shippers trained at Western business schools and focused on finance.

Thus, to increase revenues, some tanker lines, such as Ceres Hellenic Shipping Enterprises of Livanos, now run by Mr. Livanos's son Peter, are shedding an older generation of big tankers, those larger than 200,000 tons in capacity, in favor of smaller, more efficient vessels of about 50,000 tons. Meanwhile, cargo lines such as Costamare are entering the fiercely competitive container-shipping business once avoided by the Greeks.

But what most upsets the shippers among all the changes are rising costs, inflated by the price of Greek seamen's labor. The effort to reduce labor costs is pitting the shipowners against the powerful Greek Seamen's Federation and the government over a proposal by shipowners to drop requirements that Greek vessels use mainly Greek sailors. Under present law, all officers and 40 percent of the crew on Greek ships must be Greek nationals. But the Union of Greek Ship Owners and its president, John Lyras, are proposing a change in the law that would allow shipowners to decide how many crew members must be Greek.

The mathematics are simple. While Greek crewmen earn as much as $2,000 a month, crewmen from places such as Turkey and the Philippines make as little as $400.

EMI, Profit Sagging, to Revamp American Subsidiary

Compiled by Our Staff From Dispatches

LONDON — EMI Group PLC said Tuesday it would reorganize its North American subsidiary to reduce costs and encourage the development of new U.S. acts to try to match the success of its top-selling British pop group the Spice Girls.

The announcement came as EMI reported a 23 percent drop in annual pretax profit, to £283.9 million ($462.4 million), compared with pro-forma earnings of £367.3 million last year. The latest earnings included a restructuring charge. Excluding that charge, pretax profit rose 3.6 percent, to £380.5 million, in line with analysts' expectations.

Sales fell 3.7 percent, to £3.4 billion. The company will pay a full-year dividend of 30 pence a share, up from 27 pence last year.

EMI also announced that it planned to raise shareholder value by buying back as many as 10 percent of its own shares.

Emerging markets in Asia, Eastern Europe and Latin America offset sluggish performance in the United States, Japan and most of Europe, EMI said.

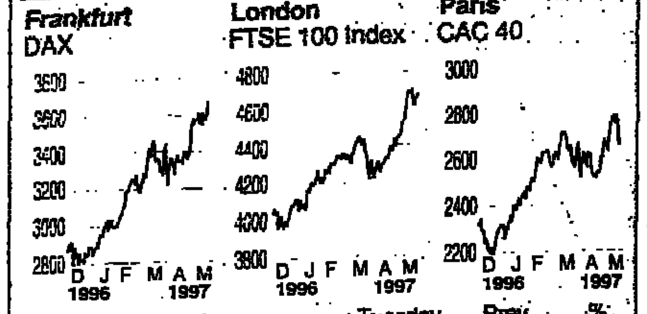
The company plans to close its New York head office, dismissing two top executives and a staff of 50. EMI has put Ken Berry, the head of EMI Music International and Virgin Records, in charge of its North American business. Mr. Berry was responsible for launching the Spice Girls and signing the singer George Michael. The company plans to take a charge of £117.2 million to reorganize the division and to provide for bad debts from U.S. retailers.

Closing the New York office will save between £35 and £40 million annually, EMI said. The move came amid a slump in a U.S. market suffering from price competition among retailers and store closures.

"The U.S. has given them problems," Colin Tennant, an analyst with UBS, said. "Something had to happen." EMI ranks only fifth among the world's music companies in U.S. sales even after investing heavily there, but it aims to be in the top three, Mr. Tennant said.

Shares in EMI, which split from the consumer-goods rental company Thorn PLC in August, fell 54 pence, or 4 percent, to close at £11.71. *(Bloomberg, AFX, AFP)*

Investor's Europe



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	AEX	806.13	812.19	-0.75
Brussels	BEL-20	2,275.32	2,279.04	-0.16
Frankfurt	DAX	3,674.36	3,657.86	+0.45
Copenhagen	Stock Market	578.05	580.73	-0.46
Helsinki	HEX General	3,094.02	3,105.61	-0.37
Oslo	OBX	638.55	640.20	-0.26
London	FTSE 100	4,681.60	4,661.80	+0.42
Madrid	Stock Exchange	577.76	570.73	+1.23
Milan	MIBTEL	12337	12253	+0.69
Paris	CAC 40	2,680.34	2,654.74	+0.96
Stockholm	SX 16	3,060.59	3,102.94	-1.36
Vienna	ATX	1,310.70	1,309.12	+0.12
Zurich	SPI	3,281.28	3,284.68	-0.10

Source: Telekurs — International Herald Tribune

Very briefly:

- **Waterford Foods PLC's** and **Waterford Cooperative Society Ltd.'s** boards accepted a revised takeover bid of 337 million Irish punts ($510.3 million) from the Irish milk processor **Avonmore Foods PLC**.
- **Philips Electronics NV** will sell its 25 percent stake in **Bang & Olufsen AS** back to the Danish electronics maker for 160 million Dutch guilders ($84 million).
- **Banco Santander SA** of Spain plans to pay $594 million to acquire a 35 percent stake in Argentina's **Banco Rio de la Plata SA** and an option to buy an additional 15 percent stake. Santander said it would take management control of the bank.
- **Russia** set a minimum price of $1.18 billion for a 25 percent stake in the telecommunications company **RAO Svyazinvest**. No date has been set for the sale.
- **Lear Corp.**, an American maker of automobile seats, agreed to buy Germany's **Keiper Car Seating GmbH** for 400 million Deutsche marks ($237.1 million).
- **Denmark's** economy will expand 3.3 percent this year, the government said, surpassing the 2.9 percent growth that it forecast in December. *AFX, Bloomberg, Reuters*

WORLD STOCK MARKETS

Tuesday, May 27
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 806.13 Previous: 812.19

	High	Low	Close	Prev.
ABN-AMRO	37	36.40	36.40	36.80
Aegon	145.70	142.70	142.80	145.20
Ahold	148.90	146.80	147	148.40
Akzo Nobel	267.80	265	265.20	266
Baan Co.	119.50	117	117	116.90
Bols Wess cva	37.60	37.30	37.40	37.70
CSM cva	101.40	98	101.40	103.20
Dordtsche Pet	388.30	385	386.40	384
DSM	198	196	196	197.60
Elsevier	33	32.60	32.60	32.80
Fortis Amev	82.90	81.50	81.50	82.20
Getronics	68.70	67	67.20	66.20
G-Broc cva	65.70	65	65.30	65.30
Hagemeyer	97.50	94.50	94.50	96.20
Heineken	330	327.70	328	328.90
Hoogovens cva	99.20	97	97.70	99.30
Hunt Douglas	174.70	171	171.80	173
ING Group	89.40	88	88.20	88.80
KLM	57.40	56.50	56.50	57.20
KNP BT	40.30	39.50	39.90	40.20
KPN	68.20	67.60	67.70	68.20
Nedlloyd Gp	47.80	47.30	47.70	47.60
Nutricia	302.30	299	299.20	302
Oce Grinten	248.90	241.20	247.80	242
Philips Elec	109.10	108.10	108.30	109.10
Polygram	95	92.80	93.20	95.20
Randstad Hdg	196.80	191.50	191.50	194.20
Robeco	172.90	172.50	172.50	172.50
Rodamco	60.50	60	60.20	60.60
Rolinco	175.80	175.30	175.40	175.10
Rorento	110	109.70	110	109.80
Royal Dutch	375.60	371.90	372.80	373.50
Unilever cva	383.30	380.60	380.60	382.80
Vendex Intl	110.10	108.50	109.20	110
VNU	43.80	43.10	43.10	43.70
Wolters Kl cva	237	234.30	234.50	235.10

Bangkok
SET index: 569.84 Previous: 568.36

	High	Low	Close	Prev.
Adv Info Svc	177	159	176	162
Bangkok Bk F	218	210	216	206
Krung Thai Bk	29.75	27.50	29	28.75
PTT Explor	322	306	320	306
Siam Cement F	558	540	540	558
Siam Com Bk F	132	129	132	127
Telecomasia	30.75	28.25	28.50	30.75
Thai Airways	37.75	36.75	37	37
Thai Farm Bk F	125	115	125	116
Utd Comm	117	113	114	117

Bombay
Sensex 30 index: 3692.55 Previous: 3701.65

	High	Low	Close	Prev.
Bajaj Auto	854.75	844	854.50	852
Hindust Lever	1042.75	1033.50	1037	1035.25
Hindust Petlm	422	419.50	421	422
Ind Dev Bk	95.50	93.50	95.25	93.50
ITC	430.50	425.25	428	425.25
Mahanagar Tel	277.50	273.50	277	274.50
Reliance Ind	292.50	283.50	284.50	288.50
State Bk India	304.50	299.75	301	303
Steel Authority	21	20.50	20.50	21
Tata Eng Loco	404.25	389.50	393	400

Brussels
BEL-20 index: 2275.32 Previous: 2279.84

	High	Low	Close	Prev.
Almanij	16275	16000	16000	16500
Barco Ind	6370	6300	6330	6330
BBL	9350	9250	9340	9300
CBR	3410	3355	3355	3415
Colruyt	14700	14450	14550	14650
Delhaize Lion	1780	1735	1755	1780
Electrabel	8320	8280	8310	8290
Electrafina	3540	3520	3540	3520
Fortis AG	6960	6810	6920	6800
Gevaert	3275	3200	3220	3340
GBL	5630	5520	5520	5610
Gen Banque	14225	14075	14150	14225
Kredietbank	14525	14425	14500	14400
Petrofina	12850	12725	12800	12875
Powerfin	5110	5080	5110	5110
Royale Belge	9970	9900	9900	9940
Soc Gen Belg	3375	3345	3345	3350
Solvay	21750	21625	21675	21650
Tractebel	15425	15400	15400	15400
UCB	97000	96400	97000	97050

Copenhagen
Stock Index: 578.05 Previous: 580.73

	High	Low	Close	Prev.
BG Bank	313	307	307	312
Carlsberg B	396	391	393	396
Codan Fors	910	910	910	907
Danisco	405	400	401	404
Den Danske Bk	625	614	615	626
D/S Svendbrg B	348000	348000	348000	350000
D/S 1912 B	244000	240000	240000	241000
FLS Ind B	1061.06	1050	1061.06	1050
Kob Lufthavne	720	713	720	704
Nvo Nordisk B	708	699	703	703
Sophus Ber B	890	881.12	881.12	888
Tele Danmk B	328	322	323.42	329
Tryg Baltica	366	359	363	360
Unidanmark A	353	343	343	354

Frankfurt
DAX: 3674.36 Previous: 3657.86

	High	Low	Close	Prev.
AMB B	1480	1450	1450	1475
Adidas	189.50	188.50	189.50	187
Allianz Hdg	378	370	375.80	373
Altana	1585	1570	1578	1538
Bk Berlin	39.50	39.20	39.45	39.65
BASF	66.30	65.45	65.45	66.05
Bayer Hypo Bk	58.95	58.25	58.55	58.40
Bay.Vereinsbank	73.50	73	73.20	73.40
Bayer	68.80	68.22	68.35	68.37
Beiersdorf	92.50	92	92.10	91.80
Bewag	43	42.20	42.80	43.20
BMW	1480	1475	1477	1461
CKAG Colonia	171	170.50	170.50	171.50
Commerzbank	51.40	51.10	51.40	50.75
Daimler Benz	136.70	135.30	136.40	134.05
Degussa	84.15	82.20	84.15	81.90
Deutsche Bank	99.95	99.45	99.78	99.60
Deut Telekom	39.99	39	39.40	40
Dresdner Bank	62.40	62.05	62.20	61.95
Fresenius	352	350	350	355.50
Fresenius Med	150.50	149.50	150	148.90
Fried. Krupp	322.50	321.50	321.50	321
Gehe	126.10	124	124	124
Heidelbg Zmt	168	165.10	165.10	166.50
Henkel pfd	100	98.70	100	98.50
HEW	487	487	487	487
Hochtief	77.50	75.50	76	78
Hoechst	69.90	69.10	69.78	69.15
Karstadt	630	615	620	608
Lahmeyer	76.60	75	75	76.40
Linde	1260	1247	1253	1251
Lufthansa	28.30	28.20	28.25	28.30
MAN	516	510	511	516
Mannesmann	727	721	723	727
Metallgesellschaft	37.48	37.35	37.35	37.45
Metro	185.50	183	184	178
Munch Rueck R	4465	4430	4445	4475
Preussag	468	463.50	465.50	467
RWE	76.10	75.70	75.75	75.30
SAP pfd	317	315.70	316.40	316.50
Schering	177.60	173.70	174.60	173.80
SGL Carbon	250	244.50	249	242.50
Siemens	100.05	99.42	99.55	99.78
Springer (Axel)	1500	1500	1500	1500
Suedzucker	927	915	927	914
Thyssen	400	398.50	399.10	392.50
Veba	98.85	98.30	98.65	98.15
VEW	505	505	505	505
Viag	793	783.50	790.50	775
Volkswagen	1156	1148	1153	1142

Helsinki
HEX General index: 3094.02 Previous: 3105.61

	High	Low	Close	Prev.
Enso A	47.20	46.50	46.50	47
Huhtamaki I	235	227	228	235
Kemira	52	51	52.50	51
Kesko	73.70	73	73	73.70
Merita A	17.90	17.70	17.70	17.90
Metra B	145.50	144.50	144.50	144.50
Metsa-Serla B	42.70	41.50	41.50	42
Neste	137	136	137	136
Nokia A	353	348	351.40	351
Orion-Yhtymae	208	202	204	206
Outokumpu A	105	102	102	103
UPMKymmene	123	120	120.20	123
Valmet	93	92	92.30	92

Hong Kong
Hang Seng: 14540.16 Previous: 14574.64

	High	Low	Close	Prev.
Amoy Props	9.05	8.85	8.90	9.05
Bk East Asia	28.50	28.10	28.25	28.45
Cathay Pacific	11.80	11.65	11.80	11.60
Cheung Kong	80.25	78.75	79	80
CK Infrastruct	24.75	24.40	24.75	24.70
China Light	39.20	38.30	38.60	39.10
Citic Pacific	46	44.90	45	45.80
Dao Heng Bk	41.20	40.40	40.80	41
First Pacific	10.60	9.70	10.55	9.80
Hang Lung Dev	15	14.80	14.90	14.95
Hang Seng Bk	93	92	92.50	93
Henderson Inv	8.95	8.80	8.95	8.85
Henderson Ld	77.50	75.25	75.25	77.75
HK China Gas	12.95	12.70	12.85	12.90
HK Electric	28	27.70	27.90	27.70
HK Telecomm	16.85	16.05	16.75	16.15
Hopewell Hdgs	4.05	3.95	4	4.03
HSBC Hdgs	228	225	226	226
Hutchison Wh	65.25	63.50	63.50	64.75
Hysan Dev	26.10	25.25	25.85	25.30
Johnson El Hdg	22.45	22	22.20	22
Kerry Props	19.45	19.35	19.40	19.40
New World Dev	50.50	49.50	49.60	50.25
Oriental Press	2.63	2.58	2.58	2.63
Pearl Oriental	2.93	2.68	2.75	2.93
SHK Props	96.75	95.50	95.50	96.25
Shun Tak Hdgs	5.15	5.05	5.15	5.10
Sino Land Co.	8.45	8.20	8.25	8.40
Sth China Post	7.05	6.95	7.05	7
Swire Pac A	64.50	64	64.25	64.25
Wharf Hdgs	34.50	33.90	34.40	34.30
Wheelock	20	19.40	19.50	19.85

Jakarta
Composite index: 668.85 Previous: 663.20

	High	Low	Close	Prev.
Astra Intl	6100	6050	6075	5950
Bk Intl Indon	1900	1875	1900	1850
Bk Negara	1550	1525	1525	1525
Gudang Garm	10050	9900	10000	9900
Indocement	3050	2950	3050	3000
Indofood	5100	5050	5050	5100
Indosat	6900	6875	6875	6825
Sampoerna HM	9475	9425	9425	9425
Semen Gresik	5725	5625	5625	5650
Telekomunikasi	3875	3775	3875	3800

Johannesburg
All Market: 7065.35 Previous: 7067.47

	High	Low	Close	Prev.
Amalgamtd Bks	29	27.50	27.75	28.75
AngloAm Coal	301.50	298	301.50	296
AngloAm-Corp	266.50	262	263	266.50
AngloAm Gold	305	302.75	302.75	305.25
AngloAm Ind	190	188.25	189	188
AVMIN	16.15	16.05	16.15	16.15
Barlow	46.10	45.50	46.05	45.50
C.G. Smith	25.40	25.20	25.35	25.20
De Beers	159.50	158.75	158.75	159
Driefontein	39.15	38.75	38.90	39.10
Fst Natl Bk	33.65	33.25	33.65	33.25
Gencor	20	19.50	19.90	19.35
GFSA	114.50	113	114.25	112.75
Imperial Hdgs	58	57	57.75	57
Ingwe Coal	30	29.80	30	29.85
Iscor	3.02	2.99	3	2.98
Johnnies Indl	57	56	57	55.75
Liberty Hdgs	350	340	340	348.50
Liberty Life	128.75	125	127	129
LibLife Strat	17.20	16.80	16.85	16.75
Minorco	100.25	99.75	99.75	99.75
Nampak	17.65	17.35	17.65	17.45
Nedcor	88.50	88	88.25	88.25
Rembrandt Gp	47.90	47.20	47.20	47.80
Richemont	62.75	62.25	62.50	62.50
Rust Platinum	71	69.50	70.25	69.50
SA Breweries	128	126.50	126.75	127.25
Samancor	47.30	47.30	47.30	47.25
Sasol	56	55.50	55.75	56.25
SBIC	208.50	203.50	203.50	205
Tiger Oats	75.25	75	75.25	75.25

Kuala Lumpur
Composite: 1081.88 Previous: 1081.19

	High	Low	Close	Prev.
AMMB Hdgs	16	15.80	16	15.90
Genting	13.40	13.30	13.30	13.50
Mal Banking	25.25	25	25	25
Mal Intl Ship F	5.65	5.60	5.65	5.60
Petronas Gas	8.80	8.60	8.70	8.75
Proton	12.50	12.30	12.50	12.50
Public Bk	4.52	4.42	4.42	4.56
Renong	3.50	3.44	3.48	3.46
Resorts World	8.75	8.65	8.70	8.65
Rothmans PM	26.25	25.50	25.75	26
Sime Darby	8.20	8.05	8.20	8.25
Telekom Mal	17.40	17.10	17.40	17
Tenaga	11.50	11.20	11.20	11.30
Utd Engineers	19.60	19.50	19.50	19.60
YTL	9.30	8.95	9	9.30

London
FT-SE 100: 4681.60 Previous: 4661.80

	High	Low	Close	Prev.
Abbey Natl	9.55	9.30	9.42	9.30
Allied Domecq	4.54	4.43	4.49	4.53
Anglian Water	6.88	6.80	6.80	6.88
Argos	6.15	6.08	6.08	6.09
Asda Group	1.20	1.18	1.19	1.18
Assoc Br Foods	5.68	5.66	5.67	5.65
BAA	5.37	5.26	5.27	5.28
Barclays	12.75	12.40	12.75	12.37
Bass	8.12	8	8.03	8.05
BAT Ind	5.74	5.62	5.63	5.70
Bank Scotland	4.12	3.81	4.10	4.01
Blue Circle	4.27	4.18	4.22	4.21
BOC Group	9.97	9.90	9.93	9.88
Boots	7.31	7.17	7.27	7.13
BPB Ind	3.48	3.43	3.48	3.41
Brit Aerosp	12.52	12.35	12.41	12.53
Brit Airways	7.27	7.08	7.16	7.27
BG	2.02	1.77	2	2.01
Brit Land	5.98	5.90	5.95	5.97
Brit Petlm	7.41	7.33	7.39	7.36
BSkyB	5.91	5.83	5.89	5.83
Brit Steel	1.54	1.51	1.53	1.53
Brit Telecom	4.54	4.50	4.53	4.50
BTR	2.18	2.07	2.13	2.17
Burmah Castrol	10.18	10.11	10.17	10.05
Burton Gp	1.37	1.35	1.35	1.36
Cable Wireless	4.95	4.85	4.87	4.98
Cadbury Schw	5.55	5.43	5.49	5.51
Carlton Comm	5.25	5.16	5.21	5.21
Comml Union	7.42	7.28	7.29	7.35
Compass Gp	6.77	6.63	6.77	6.66
Courtaulds	3.37	3.28	3.36	3.32
Dixons	4.80	4.70	4.71	4.78
Electrocomponents	4.04	4.01	4.03	3.98
EMI Group	12.34	11.71	11.71	12.25
Energy Group	5.72	5.62	5.67	5.66
Enterprise Oil	6.84	6.80	6.82	6.76
Fam Colonial	1.64	1.63	1.63	1.62
Genl Accident	9.54	9.38	9.51	9.46
GEC	3.73	3.53	3.54	3.59
GKN	10.08	10.02	10.07	10.07
Glaxo Wellcome	12.16	12	12.10	11.98
Granada Gp	9.06	8.94	9	9.19
Grand Met	6	5.92	5.94	5.93
GRE	2.98	2.89	2.90	2.93
Greenalls Gp	4.85	4.78	4.84	4.82
Guinness	5.99	5.93	5.97	5.83
GUS	6.58	6.48	6.53	6.52
Hays	5.67	5.55	5.67	5.58
HSBC Hldgs	18.15	17.76	18.14	17.66
ICI	8.04	7.94	8	7.94
Impl Tobacco	4.05	3.95	3.97	4.02
Kingfisher	7.35	7.05	7.20	7.09
Ladbroke	2.48	2.42	2.42	2.45
Land Sec	9.06	8.86	9.04	8.89
Lasmo	2.51	2.45	2.49	2.50
Legal Genl Grp	4.82	4.62	4.80	4.65
Lloyds TSB Gp	6.40	6.18	6.26	6.19
LucasVarity	2	1.97	1.99	2
Marks Spencer	5.26	5.07	5.15	5.12
MEPC	5.15	5.11	5.13	5.13
Mercury Asset	14.15	13.82	14.15	13.84
National Grid	2.55	2.25	2.26	2.26
Natl Power	5.37	5.28	5.35	5.40
NatWest	7.99	7.84	7.84	7.91
Next	7.32	7.23	7.29	7.32
Orange	2.09	2.07	2.09	2.09
P&O	6.42	6.31	6.35	6.38
Pearson	7.25	7.13	7.18	7.18
Pilkington	1.30	1.27	1.27	1.29
PowerGen	6.93	6.87	6.92	6.93
Premier Farnell	4.86	4.80	4.81	4.86
Prudential	6.51	6.38	6.50	6.40
Railtrack PP	4.48	4.37	4.42	4.42
Rank Group	4.43	4.30	4.35	4.42
Reckitt Colm	8.68	8.60	8.65	8.62
Redland	3.50	3.22	3.23	3.17
Reed Intl	6.15	6.05	6.14	6.05
Rentokil Initial	2.30	2.28	2.29	2.28
Reuters Hdgs	6.85	6.78	6.83	6.78
Rexam	3.05	2.98	3.03	3.03
RMC Group	9	8.90	9	8.90
Rolls Royce	2.46	2.42	2.43	2.50
Royal Bk Scot	6.30	6.12	6.27	6.11
RTZ reg	10.75	10.66	10.72	10.77
Royal & Sun All	4.84	4.76	4.79	4.81
Safeway	3.57	3.53	3.56	3.66
Sainsbury	3.62	3.50	3.55	3.58
Schroders	17.45	17.25	17.45	17.35
Scot Newcastle	7.03	6.95	6.99	7
Scot Power	3.81	3.72	3.79	3.82
Securicor	2.92	2.90	2.92	2.90
Severn Trent	7.78	7.67	7.70	7.72
Shell Transp R	12.13	11.83	12.11	11.86
Siebe	9.50	9.45	9.48	9.45
Smith Nephew	1.75	1.71	1.75	1.71
SmithKline	10.72	10.27	10.66	10.48
Smiths Ind	7.68	7.61	7.64	7.65
Sthern Elec	4.18	4.13	4.17	4.14
Stagecoach	6.50	6.45	6.48	6.51
Stand Charter	10.17	9.94	10.10	10.06
Tate & Lyle	4.51	4.44	4.50	4.48
Tesco	3.78	3.70	3.72	3.76
Thames Water	6.75	6.68	6.75	6.70
3i Group	5.14	5.08	5.12	5.10
TI Group	5.59	5.50	5.54	5.59
Tomkins	2.74	2.70	2.72	2.75
Unilever	16.85	16.75	16.80	16.82
Utd Assurance	4.98	4.90	4.94	4.92
Utd News	7.85	7.76	7.80	7.78
Utd Utilities	7.03	6.87	7.02	6.89
Vendome Lx uts	5.15	5.08	5.12	5.13
Vodafone	2.71	2.67	2.68	2.68
Whitbread	8.15	8	8.05	8.15
Williams Hdgs	3.07	3.02	3.06	3.06
Wolseley	4.75	4.69	4.70	4.71
WPP Group	2.43	2.40	2.41	2.39
Zeneca	19.02	18	18.80	18.82

Madrid
Bolsa index: 577.76 Previous: 570.73

	High	Low	Close	Prev.
Acerinox	24900	24710	24860	24880
ACESA	1940	1865	1925	1865
Aguas Barcelon	5990	5800	5990	5820
Argentaria	7600	7480	7590	7500
BBV	10520	10370	10450	10300
Banesto	1640	1620	1630	1610
Bankinter	26500	25780	25920	26000
Bco Centro Hisp	5030	4975	5030	4975
Bco Popular	33500	32800	33430	33150
Bco Santander	13100	12750	12900	12600
CEPSA	5150	5020	5030	5070
Continente	3060	2840	2960	2895
Corp Mapfre	8060	7870	8030	7850
Endesa	11940	11720	11750	11660
FECSA	1345	1310	1340	1310
Gas Natural	30200	29690	29800	28880
Iberdrola	1940	1885	1910	1920
Pryca	3010	2530	2955	2925
Repsol	6330	6200	6330	6190
Sevillana Elec	1485	1440	1470	1430
Tabacalera	7820	7600	7750	7640
Telefonica	4535	4470	4520	4425
Union Fenosa	1360	1315	1325	1340
Valenc Cement	2100	1990	2100	2065

Manila
PSE index: 2710.91 Previous: 2598.20

	High	Low	Close	Prev.
Ayala B	18.50	17.25	18.50	17
Ayala Land	20	18.50	19.75	18.50
Bk Philip Isl	155	147	151	155
C&P Homes	9.20	8.80	9.20	9
Manila Elec A	91.50	90	90.50	90
Metro Bank	585	555	585	555
Petron	7.30	6.80	7.20	6.90
PCIBank	272.50	241	272.50	248
Phil Long Dist	780	750	775	745
San Miguel B	77	75.50	75.50	77
SM Prime Hdg	7.40	7.10	7.30	7.20

Mexico
Bolsa index: 3964.14 Previous: 3985.02

	High	Low	Close	Prev.
Alfa A	46.50	45.85	46.35	46.50
Banacci B	17.60	17.50	17.50	17.80
Cemex CPO	28.90	28.40	28.65	29.00
Cifra C	12.76	12.50	12.58	12.74
Emp Moderna	39.65	39.55	39.65	39.70
Gpo Carso A1	47.20	46.35	46.46	47.20
Gpo F Bcomer	1.81	1.79	1.79	1.81
Gpo Fin Inbursa	28.10	27.80	28.10	28.00
Kimb Clark Mex	28.30	27.85	28.25	27.90
Televisa CPO	113.30	112.30	112.30	113.30
TelMex L	17.46	17.34	17.42	17.40

Milan
MIB Telematico: 12337.00 Previous: 12253.00

	High	Low	Close	Prev.
Alleanza Assic	11400	11240	11355	11250
Bca Comm Ital	3480	3350	3475	3350
Bca Fideuram	4600	4500	4500	4500
Bca di Roma	1270	1246	1247	1265
Benetton	23500	23000	23200	23100
Credito Italiano	2565	2495	2555	2505
Edison	8270	8155	8160	8220
ENI	8890	8820	8835	8810
Fiat	5570	5475	5535	5420
Generali Assic	29350	29000	29050	29050
IMI	15225	14910	15175	15100
INA	2390	2365	2375	2380
Italgas	5400	5260	5400	5265
Mediaset	7610	7425	7460	7585
Mediobanca	10050	9915	9970	9900
Montedison	1067	1048	1051	1053
Olivetti	514	501	505	496
Parmalat	2575	2505	2545	2535
Pirelli	3620	3560	3600	3565
RAS	13600	13310	13395	13320
Rolo Banca	17800	17700	17750	17625
S Paolo Torino	10825	10660	10680	10785
Stet	8690	8460	8675	8515
Telecom Italia	4720	4610	4680	4630
TIM	5145	4995	5110	5090

Montreal
Industrials index: 3278.26 Previous: 3270.37

	High	Low	Close	Prev.
Bce Mob Com	43.15	43	43	44.40
Cdn Tire A	25.70	25.60	25.60	26
Cdn Util A	35.30	35¼	35¼	35.30
CT Finl Svc	35½	35	35½	34½
Gaz Metro	17¼	17.10	17¼	17.20
Gt-West Lifeco	27.55	27½	27½	27.60
Imasco	39.95	39	39.45	39.90
Investors Grp	28.15	28.05	28.15	28¼
Loblaw Cos	18.85	18.85	18.85	18.90
Natl Bk Canada	16.70	16½	16.70	16.80
Power Corp	32	31.80	31.90	31.90
Power Finl	30.05	29¾	30.05	30
Quebecor B	25¾	25½	25.60	25.70
Rogers Comm B	7.05	7.05	7.05	7.15
Royal Bk Cda	61½	60¾	61	61.85

Oslo
OBX index: 638.55 Previous: 640.20

	High	Low	Close	Prev.
Aker A	132	130.50	131.50	130.50
Bergesen Dy A	167	161	161	164
Christiania Bk	24.90	24.30	24.30	24.90
Den norske Bk	28.10	27.90	28	28.30
Elkem	147.50	142	143	144
Hafslund A	44	44	44	43.50
Kvaerner Asa	436	424	425	430
Norsk Hydro	370	363	365	362
Norske Skog A	256	253	255	252
Nycomed A	100	98	98	99
Orkla Asa A	632	625	630	625
Petlm GeoSvc	311	306	308	311
Saga Petlm A	142	139.50	139.50	140
Schibsted	133.50	133	133	134
Transocean Off	495.50	495	495	480
Storebrand Asa	47.70	46.90	47	47.30

Paris
CAC-40: 2680.34 Previous: 2654.74

	High	Low	Close	Prev.
Accor	862	851	853	863
AGF	187	184	186	185.90
Air Liquide	910	879	910	879
Alcatel Alsth	666	653	666	661
Axa-UAP	370	363.10	369.20	364
Bancaire	698	684	698	687
BIC	870	851	855	853
BNP	252.90	242.80	250.90	247
Canal Plus	1047	1016	1035	1042
Carrefour	3830	3700	3819	3730
Casino	271.60	265.40	270.50	270
CCF	254.60	252	253.80	252.10
Cetelem	630	611	630	620
Christian Dior	898	857	891	865
CLF-Dexia Fran	547	531	538	530
Credit Agricole	1396	1326	1326	1262
Danone	898	874	898	883
Elf-Aquitaine	607	591	598	597
Eridania BS	866	841	844	842
Eurodisney	9.40	8.95	9.35	9
Eurotunnel	6.45	6.35	6.40	6.45
Gen. Eaux	777	751	770	761
Havas	420	412	416	420
Imetal	800	760	789	777
Lafarge	377	371	376.70	371
Legrand	962	905	951	910
L'Oreal	2086	2021	2084	2030
LVMH	1419	1386	1412	1393
Lyon. Eaux	583	570	583	576
Michelin B	341	331.10	340.10	334.10
Paribas A	393.40	383.20	388.50	389
Pernod Ricard	299.90	292	294.90	298.40
Peugeot Cit	614	598	613	605
Pinault-Print	2479	2396	2467	2396
Promodes	2058	2011	2025	2039
Renault	145.50	143.10	144.50	146.60
Rexel	1579	1540	1575	1560
Rh-Poulenc A	192	186	190.10	190.80
Sanofi	533	524	529	527
Schneider	301.90	295.30	297.40	300.50
SEB	990	966	986	971
SGS Thomson	486.70	472	479.80	468
Ste Generale	657	648	654	654
Sodexho	2745	2680	2682	2677
St Gobain	806	790	800	794
Suez	302	296.60	301.80	300
Synthelabo	693	680	693	694
Thomson CSF	176.50	171.60	175	171.30
Total B	544	530	540	538
Usinor	89	86.75	88.90	86.75
Valeo	358	347.10	352	353.50

São Paulo
Bovespa index: 11056.90 Previous: 10960.80

	High	Low	Close	Prev.
Bradesco Pfd	8.60	8.45	8.60	8.45
Brahma Pfd	778.00	776.00	778.00	779.00
Cemig Pfd	49.60	48.80	49.00	49.40
CESP Pfd	62.00	60.50	60.51	61.00
Copel	16.00	15.90	15.90	16.00
Eletrobras	490.00	483.00	487.00	491.00
Itaubanco Pfd	525.00	515.00	515.00	534.99
Light Servicios	541.00	527.00	540.00	528.00
Lightpar	358.00	355.00	355.00	359.79
Petrobras Pfd	246.00	243.00	244.50	244.00
Paulista Luz	159.70	158.00	158.90	160.00
Sid Nacional	35.90	34.70	34.80	36.40
Souza Cruz	9.99	9.40	9.63	9.40
Telebras Pfd	143.60	140.50	143.40	141.00
Telemig	156.99	152.00	155.49	152.00
Telerj	167.94	164.00	164.10	168.00
Telesp Pfd	360.00	349.00	355.00	352.00
Unibanco	37.00	37.00	37.00	36.50
Usiminas Pfd	1.19	1.17	1.17	1.20
CVRD Pfd	24.80	24.30	24.50	24.70

Seoul
Composite index: 723.35 Previous: 718.99

	High	Low	Close	Prev.
Dacom	100000	96000	98000	98000
Daewoo Heavy	7500	7010	7390	7050
Hyundai Eng.	18800	18400	18700	18400
Kia Motors	15700	15500	15600	15700
Korea El Pwr	26300	26000	26000	26200
Korea Exch Bk	5610	5450	5520	5550
Korea Mob Tel	377500	365000	370000	378500
LG Semicon	33200	32200	32500	33300
Pohang Iron St	57500	56800	57200	57200
Samsung Display	44200	43200	44000	43600
Samsung Elec	61600	60900	61500	61100
Shinhan Bank	10300	10100	10300	10200

Singapore
Straits Times: 2076.01 Previous: 2056.32

	High	Low	Close	Prev.
Asia Pac Brew	7	6.70	6.70	7
Cerebos Pac	8.75	8.60	8.70	8.70
City Devlts	12.80	12.70	12.70	12.70
Cycle Carriage	14.60	14.40	14.40	14.50
Dairy Farm Intl *	0.76	0.74	0.75	0.74
DBS foreign	N.T.	N.T.	N.T.	18.80
DBS Land	N.T.	N.T	N.T.	4.84
Fraser & Neave	11.40	11.20	11.30	11.30
HK Land *	2.79	2.72	2.76	2.77
Jard Mathesn *	6.95	6.85	6.95	6.85
Jard Strategic *	3.72	3.66	3.72	3.72
Keppel	6.85	6.70	6.85	6.70
Keppel Bank	3.76	3.74	3.76	3.74
Keppel Fels	4.86	4.80	4.84	4.84
Keppel Land	4.12	4.08	4.10	4.12
OCBC foreign	18.40	18.10	18.20	18.40
OS Union Bk F	10.10	9.90	10.10	10
Parkway Hdgs	6.50	6.25	6.45	6.50
Sembawang	7.10	7	7.10	7.05
Sing Air foreign	13	12.70	12.90	12.90
Sing Land	7.20	7.15	7.15	7.20
Sing Press F	29.70	29.30	29.60	29.40
Sing Tech Ind	3.96	3.88	3.94	3.96
Sing Telecomm	2.50	2.47	2.50	2.46
Tat Lee Bank	3.34	3.32	3.34	3.34
Utd Industrial	1.13	1.13	1.13	1.13
Utd O'Sea Bk F	15.30	14.90	15	15.30
Wing Tai Hdgs	4.34	4.25	4.34	4.34

*: in U.S. dollars.

Stockholm
SX 16 index: 3060.59 Previous: 3102.94

	High	Low	Close	Prev.
AGA B	106	103.50	104	105
ABB A	111	108.50	109	110.50
AssiDoman	214	210	212	213
Astra A	134.50	130.50	130.50	134
Atlas Copco A	227	219.50	220	225
Autoliv	308	299	299.50	304.50
Electrolux B	484.50	476	476	482
Ericsson B	278	272	274.50	277.50
Hennes B	260	252	253	256
Incentive A	698	690	692	697
Investor B	393	386	387	390
MoDo B	252	249	250	250
Nordbanken	246	243	245	245
Pharm/Upjohn	263.50	260	263	262
Sandvik B	210	207.50	208.50	210
Scania B	225	221.50	221.50	224.50
SCA B	172.50	170	170	172.50
S-E Banken A	82.50	81.50	82	82
Skandia Fors	293	276	276	293
Skanska B	328	322.50	323	325.50
SKF B	187	184.50	185.50	186
Sparbanken A	149.50	146.50	148	146
Stadshypotek A	190	190	190	190
Stora A	119	118	118.50	118.50
Sv Handles A	213	209	210	212.50
Volvo B	215	213.50	214	214

Sydney
All Ordinaries: 2578.90 Previous: 2584.80

	High	Low	Close	Prev.
Amcor	8.60	8.50	8.54	8.59
ANZ Bking	8.57	8.49	8.57	8.53
BHP	18.76	18.34	18.39	18.92
Boral	3.99	3.93	3.97	3.98
Brambles Ind.	23.70	23.67	23.69	23.70
CBA	14.25	14.05	14.25	14.13
CC Amatil	15.53	15.35	15.40	15.45
Coles Myer	6.30	6.22	6.27	6.23
Comalco	7.29	7.21	7.26	7.21
CRA	21.91	21.58	21.80	21.92
CSR	4.71	4.55	4.69	4.69
Fosters Brew	2.58	2.56	2.57	2.58
Goodman Fld	1.68	1.65	1.66	1.68
ICI Australia	12	11.92	11.92	12
Lend Lease	25.44	25	25.20	25.45
MIM Hdgs	1.98	1.90	1.92	1.92
Nat Aust Bank	18.95	18.79	18.94	18.93
Nat Mutual Hdg	2.03	1.94	1.95	1.95
News Corp	5.78	5.67	5.70	5.79
Pacific Dunlop	3.65	3.54	3.65	3.55
Pioneer Intl	4.49	4.43	4.45	4.46
Pub Broadcast	6.90	6.65	6.90	6.65
St George Bank	8.08	8.01	8.07	8.08
WMC	8.56	8.40	8.41	8.48
Westpac Bking	7.24	7.19	7.22	7.20
Woodside Pet	11.49	11.34	11.34	11.35
Woolworths	4.19	4.08	4.16	4.14

Taipei
Stock Market index: 8123.26 Previous: 8194.66

	High	Low	Close	Prev.
Cathay Life Ins	152	149	149.50	151
Chang Hwa Bk	120.50	118.50	118.50	119.50
Chiao Tung Bk	71	69	69	70.50
China Developmt	118.50	116.50	116.50	117.50
China Steel	30.40	30	30	30.20
First Bank	119	117	117	117.50
Formosa Plastic	73	70.50	71.50	73
Hua Nan Bk	118	116	116	116.50
Intl Comm Bk	70	68.50	68.50	69.50
Nan Ya Plastics	75	73	74.50	74.50
Shin Kong Life	92	89	90	91.50
Taiwan Semi	113	110	111	113
Tatung	57	56	56	57
Utd Micro Elec	73	71	72	73
Utd World Chin	69	68	68	68

Tokyo
Nikkei 225: 19889.89 Previous: 20043.50

	High	Low	Close	Prev.
Ajinomoto	1180	1150	1170	1180
All Nippon Air	777	766	766	772
Amway	4350	4250	4310	4300
Asahi Bank	809	795	795	805
Asahi Chem	688	670	675	687
Asahi Glass	1170	1150	1160	1160
Bk Tokyo Mitsu	2140	2090	2090	2130
Bk Yokohama	566	564	564	569
Bridgestone	2680	2620	2640	2670
Canon	2930	2870	2880	2910
Chubu Elec	2120	2090	2110	2130
Chugoku Elec	2080	2050	2050	2070
Dai Nipp Print	2400	2370	2380	2400
Daiei	814	787	791	805
Dai-Ichi Kang	1390	1360	1380	1380
Daiwa Bank	453	445	453	445
Daiwa House	1390	1370	1380	1380
Daiwa Sec	864	849	852	855
DDI	8710a	8650a	8650a	8680a
Denso	2870	2830	2850	2830
East Japan Ry	5600a	5550a	5560a	5600a
Eisai	2350	2310	2350	2310
Fanuc	4220	4160	4180	4180
Fuji Bank	1550	1510	1520	1540
Fuji Photo	4660	4530	4540	4640
Fujitsu	1390	1350	1380	1360
Hachijuni Bk	1120	1100	1110	1130
Hitachi	1240	1210	1230	1210
Honda Motor	3630	3540	3540	3580
IBJ	1410	1390	1400	1410
IHI	473	452	458	487
Itochu	635	616	618	633
Ito-Yokado	6850	6740	6740	6840
JAL	537	528	529	537
Japan Tobacco	8990a	8910a	8910a	8980a
Jusco	4130	4070	4070	4070
Kajima	659	645	646	660
Kansai Elec	2290	2230	2260	2290
Kao	1570	1540	1550	1570
Kawasaki Hvy	530	520	520	533
Kawa Steel	359	352	352	359
Kinki Nipp Ry	703	700	700	703
Kirin Brewery	1160	1150	1160	1160
Kobe Steel	227	224	225	225
Komatsu	895	883	887	885
Kubota	560	549	551	554
Kyocera	7980	7850	7850	7920
Kyushu Elec	2050	2020	2020	2050
LTCB	385	376	376	379
Marubeni	521	512	512	520
Marui	2200	2160	2180	2170
Matsu Comm	3510	3450	3490	3500
Matsu Elec Ind	2210	2170	2180	2170
Matsu Elec Wk	1300	1280	1290	1300
Mitsubishi	1410	1380	1390	1420
Mitsubishi Ch	370	356	359	375
Mitsubishi El	683	663	663	673
Mitsubishi Est	1610	1580	1580	1610
Mitsubishi Hvy	868	855	857	865
Mitsubishi Mat	912	906	907	910
Mitsubishi Tr	1630	1570	1590	1590
Mitsui	1030	1010	1010	1020
Mitsui Fudosn	1480	1440	1440	1470
Mitsui Trust	850	816	816	835
Murata Mfg	4500	4460	4470	4100
NEC	1610	1580	1590	1580
Nikon	1830	1810	1830	1830
Nikko Sec	717	699	706	708
Nintendo	8980	8850	8850	8930
Nipp Express	939	926	929	941
Nippon Oil	622	614	615	615
Nippon Steel	356	349	351	350
Nissan Motor	753	737	739	746
NKK	250	244	245	250
Nomura Sec	1500	1470	1480	1470
NTT	1060b	1010b	1050b	1030b
NTT Data	4200b	4130b	4150b	4080b
Oji Paper	693	678	680	693
Osaka Gas	313	305	309	309
Ricoh	1480	1460	1460	1470
Rohm	11000	11000	11000	11000
Sakura Bk	726	714	716	722
Sankyo	3730	3580	3640	3710
Sanwa Bank	1470	1440	1450	1450
Sanyo Elec	509	493	495	499
Secom	8300	8100	8100	8200
Seibu Rwy	6230	6100	6100	6290
Sekisui Chem	1210	1190	1200	1200
Sekisui House	1230	1210	1210	1220
Seven-Eleven	8680	8480	8490	8690
Sharp	1540	1500	1540	1530
Shikoku El Pwr	2000	1980	1980	2000
Shimizu	713	698	700	714
Shin-etsu Ch	2750	2690	2700	2690
Shiseido	1720	1700	1720	1710
Shizuoka Bk	1180	1160	1180	1170
Softbank	7930	7770	7800	7820
Sony	9730	9630	9690	9700
Sumitomo	1020	1000	1000	1010
Sumitomo Bk	1650	1620	1620	1630
Sumit Chem	497	491	492	493
Sumitomo Elec	1850	1820	1840	1840
Sumit Metal	327	301	308	317
Sumit Trust	1050	1030	1030	1070
Taisho Pharm	3040	2950	3000	3020
Takeda Chem	3000	2960	3000	3000
TDK	8700	8560	8630	8570
Tohoku El Pwr	2070	2040	2040	2070
Tokai Bank	984	972	974	971
Tokio Marine	1440	1410	1420	1420
Tokyo El Pwr	2300	2250	2280	2290
Tokyo Electron	5140	4980	5050	5000
Tokyo Gas	317	309	309	315
Tokyu Corp.	709	696	696	706
Tonen	1410	1390	1410	1410
Toppan Print	1620	1580	1610	1640
Toray Ind	795	775	779	798
Toshiba	719	700	715	710
Tostem	3100	3070	3100	3080
Toyo Trust	813	804	808	824
Toyota Motor	3640	3510	3510	3590
Yamanouchi	2890	2860	2860	2860

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6450.75 Previous: 6491.13

	High	Low	Close	Prev.
Abitibi Price	25.10	24.90	25.10	24.90
Alberta Energy	34½	33.65	33.65	34.55
Alcan Alum	49.65	49.30	49.45	49.90
Anderson Expl	19.15	18.60	18½	19.15
Bk Montreal	54.90	54.05	54.15	55.05
Bk Nova Scotia	58.85	58.10	58.80	58.30
Barrick Gold	35.40	34¼	35.40	34½
BCE	38½	37.55	37.70	38¼
BC Telecomm	31¼	31.30	31.70	31½
Biochem Pharm	32.80	32½	32¼	32.20
Bombardier B	28.65	28.30	28½	28.65
Brascan A	35.65	35.15	35.15	35.60
Cameco	52.10	51.40	51.70	52
CIBC	34.70	34.10	34.20	34.70
Cdn Natl Rail	57½	56½	57½	57.40
Cdn Nat Res	37.80	36½	37.20	38
Cdn Occid Pet	32.10	31.05	31.65	32.45
Cdn Pacific	37.20	36¼	36.85	37½
Cominco	39¾	39½	39¾	40.05
Dofasco	26.90	26.40	26.40	26.80
Domtar	11.35	11¼	11¼	11.30
Donohue A	31	30.15	31	30.70
Du Pont Cda A	35.35	35¼	35.30	35.45
Edper Group	24	23.80	23.90	24.10
EuroNev Mng	41	39.80	40.45	40.10
Fairfax Finl	350	341	345	350
Falconbridge	31.90	31.30	31.30	31.95
Fletcher Chall A	23.70	23½	23.55	23.80
Franco Nevada	71⅝	70½	71¼	70.45
Gulf Cda Res	13.20	12.65	12.80	13.05
Imperial Oil	67.05	66½	66¾	67.15
Inco	46.70	46.05	46¼	46.90
IPL Energy	43¾	43.45	43.60	43½
Laidlaw B	19.10	18.90	18.95	19.10
Loewen Group	43.80	43.40	43.80	43.40
Macmill Bld	20.70	20.20	20.35	20.80
Magna Intl A	76.80	76.30	76.40	76.60
Methanex	12.55	12.20	12½	12¼
Moore	31	30.60	30.95	30¾
Newbridge Net	56¾	54¼	56.70	55
Noranda Inc	32¾	32.40	32.45	32.70
Norcen Energy	35	34¼	35	34¾
Nthern Telecom	119¾	116.85	119	118
Nova	11.65	11½	11.60	11.65
Onex	26¼	26½	26¼	26½
Pancan Petlm	30.40	30.20	30.40	30¼
Petro Cda	24¼	23.80	24.10	24¼
Placer Dome	25.80	25.15	25¼	25.10
Poco Petlm	15.20	15	15.10	15¼
Potash Sask	116¼	114½	116.20	117
Renaissance	44.15	42.60	42.70	44.15
Rio Algom	37½	37¼	37½	37½
Rogers Cantel B	24.40	24	24.15	24¼
Seagram Co	55.80	54.15	54.80	56.30
Shell Cda A	59¾	59¼	59.45	59.65
Stone Consold	25.20	25	25.20	25.05
Suncor	35	34.20	34.65	35.45
Talisman Eny	46½	46.15	46.20	46.80
Teck B	32.65	31¾	31¾	32.65
Teleglobe	43½	43	43	43.65
Telus	24.65	24.30	24.35	24.65
Thomson	30⅛	29.80	29.90	30
TorDom Bank	42.65	42.05	42.15	42.95
Transalta	16½	16.20	16.20	16½
TransCda Pipe	27.45	26.85	26.95	27.55
Trimark Finl	55.05	53	53.65	55
Trizec Hahn	29.95	29.65	29.90	30
TVX Gold	8.85	8½	8¾	8.65
Westcoast Eny	25.30	25	25.05	25.70
Weston	79	78.40	79	78¾

Vienna
ATX index: 1310.70 Previous: 1309.12

	High	Low	Close	Prev.
Boehler-Uddeh	929.20	905	910	902
Creditanst Pfd	508.95	505	505	506.90
EA-Generali	3055	3041	3050	3055
EVN	1759	1676	1712.45	1692
Flughafen Wien	528.50	518	524	516
OMV	1587.10	1550.10	1571	1590
Oest Elektriz	868	863.50	863.50	865
VA Stahl	564	558.50	558.50	560
VA Tech	2235	2180.10	2186.20	2191.10
Wienerberg Bau	2529	2460	2511.40	2495

Wellington
NZSE-40 index: 2321.52 Previous: 2311.85

	High	Low	Close	Prev.
Air N Zeald B	4.33	4.32	4.33	4.32
Brierly Invt	1.34	1.34	1.34	1.35
Carter Holt ord	3.32	3.28	3.31	3.28
Fletch Ch Bldg	3.99	3.96	3.99	3.96
Fletch Ch Eny	4.50	4.46	4.50	4.47
Fletch Ch Forst	1.90	1.89	1.90	1.90
Fletch Ch Paper	3.19	3.16	3.19	3.18
Lion Nathan	3.65	3.62	3.64	3.65
Telecom NZ	6.99	6.90	6.99	6.90
Wilson Horton	11.65	11.65	11.65	11.65

Zurich
SPI index: 3281.28 Previous: 3284.68

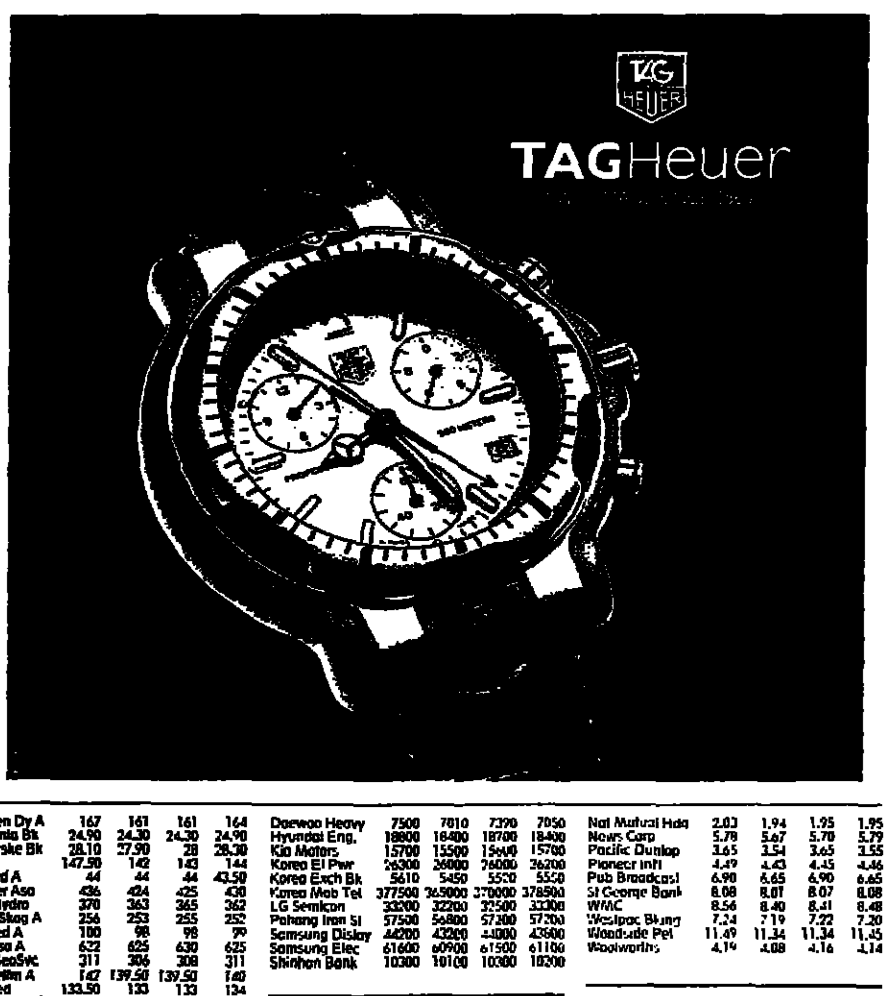
	High	Low	Close	Prev.
ABB B	2038	2020	2035	2021
Adecco B	534	520	523	533
Alusuisse R	1367	1357	1362	1357
Ares-Serono B	2010	1960	1980	1965
Atel R	880	880	880	875
Baer Hdg B	1979	1968	1971	1978
Baloise Hdg R	3285	3230	3245	3280
BK Vision	1065	1058	1063	1060
Ciba Spec Chem	150	141.50	141.50	151.75
Clariant R	911	901	904	897
Crd Suisse Gp R	189.25	184.25	186	187
Elektrowatt B	540	538	539	540
Ems-Chemie	6500	6420	6470	6490
ESEC Hdg	4475	4350	4450	4500
Holderbank B	1254	1237	1244	1235
Liechtenst LB B	488	485	488	485
Nestle R	1816	1786	1793	1797
Novartis R	2017	1991	1995	2000
Oerlikn Buehr R	164	156.50	159.25	158
Pargesa Hld B	1800	1795	1798	1805
PharmVisn B	835	825	829	836
Richemont A	1980	1951	1972	1950
Pirelli PC	236	234	234.50	238
Roche Hdg PC	13300	12820	13195	13005
SBC R	354.50	346.50	347	351.50
Schindler PC	1840	1820	1835	1840
SGS B	3270	3160	3230	3155
SMH B	861	851	857	863
Sulzer R	1185	1155	1164	1190
Swiss Reins R	2000	1976	1978	1983
Swissair R	1505	1463	1490	1479
UBS B	1556	1534	1550	1547
Winterthur R	1175	1154	1158	1172
Zurich Assur R	514	505	507	507

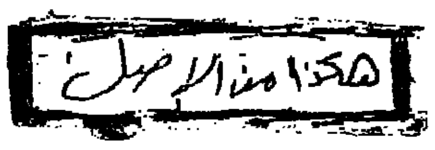
The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	167.48	-0.31	-0.18	+12.30
Regional Indexes				
Asia/Pacific	123.85	-1.14	-0.91	+0.34
Europe	175.64	-1.22	-0.69	+8.96
N. America	194.94	+1.22	+0.63	+20.40
S. America	154.48	+1.42	+0.93	+35.00
Industrial Indexes				
Capital goods	204.97	+0.24	+0.12	+19.92
Consumer goods	189.41	+0.19	+0.10	+17.33
Energy	196.56	-0.45	-0.23	+15.14
Finance	124.33	-1.23	-0.98	+6.76
Miscellaneous	169.92	-1.32	-0.77	+5.03
Raw Materials	185.86	-1.15	-0.61	+5.98
Service	157.72	+0.88	+0.56	+14.86
Utilities	143.60	-0.81	-0.56	+0.10

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.





Investor's Europe

Frankfurt DAX · London FTSE 100 Index · Paris CAC 40

	Tuesday Close	Prev. Close	% Change
Amsterdam	805.13	812.19	[illegible]
Brussels	2,275.32	2,279.04	[illegible]
Frankfurt	3,674.36	3,657.86	[illegible]
Copenhagen	578.05	580.73	[illegible]
Helsinki	3,094.92	3,105.61	[illegible]
Oslo	638.35	640.20	[illegible]
London	4,851.60	4,861.50	[illegible]
Madrid	577.75	570.73	[illegible]
Milan	12327	12253	[illegible]
Paris	2,590.34	2,654.71	[illegible]
Stockholm	3,358.39	3,102.94	[illegible]
Vienna	1,310.70	1,309.12	[illegible]
Zurich	3,281.28	3,284.68	[illegible]

Very briefly:

[illegible]

The Trib Index

[illegible]

Advertisement

INTERNATIONAL FUNDS

May 27, 1997

available on Internet: http://www.iht.com/IHT/FUN/funds.html

Quotations supplied by fund groups to Micropal Paris (tel: 33-1 40 28 09 09)

service sponsored by NOKIA

For information on how to list your fund, fax Katy Houri at (33-1) 41 43 92 12 or E-mail : funds@iht.com

Quotations for your funds via E-mail : e-funds@iht.com

001 1st FEDERAL CAPITAL INC
002 ABC INVESTMENT & SERVICES CO (E.C.)
003 ABN AMRO BANK, P.O. Box 283, Amsterdam
004 ABN AMRO Funds
005 ABSOLUTE PERFORM
006 AIB WORLDFOLIO MUTUAL FUNDS
007 AIG ASSET MANAGEMENT Ltd
008 ALBATROS PERFORMANCE FUND
009 ALFRED BERG
010 ALLIANCE CAPITAL MANAGEMENT
011 ALPHA FUND MANAGEMENT, LTD
012 AMERICAN PHOENIX INVT PORTFOLIO
014 ARNHOLD & S. BLEICHROEDER
015 ASIA PACIFIC PERFORMANCE, SICAV
016 ATLAS CAPITAL MANAGEMENT LTD
017 BAII
018 BANK BRUSSELS LAMBERT
019 BANQUE BELGE ASSET MGMT FUND
201 BANQUE EDOUARD CONSTANT
BANQUE FRANCAISE DE L'ORIENT
020 BANQUE INDOSUEZ
INDOSUEZ ASSET MGT ASIA LTD
021 BANQUE SCS ALLIANCE
190 BARCLAYS GLOBAL INVESTORS HK
022 BARING INTL FD MANGRS (IRELAND)
023 BARING INTL FD MNGRS (IRELAND)
024 BEACON GLOBAL ADVISORS LTD
201 BEC UNIVERSAL FUND
025 BELINVEST FUNDS
026 BERKSHIRE CMG ZURICH
027 BOWEN CAPITAL MGT
031 CALLANDER
032 CAPITAL INTERNATIONAL
033 CAPITAL INVESTMENT GROUP PLC
034 CDC INTERNATIONAL
035 CHEMICAL IRELAND FD ADM LTD
205 CHILTON
036 CITIBANK (LUXEMBOURG) S.A.
038 CITIBANK GLOBAL ASSET MGT (ASIA) Ltd
039 CITITRUST
040 COMGEST
041 CONZETT HOLDINGS LTD
042 COWEN ASSET MANAGEMENT
043 CREDIS INVESTMENT FUNDS
044 CREDIT COMMERCIAL DE FRANCE
045 CREDIT LYONNAIS ROUSE (Bermuda) Ltd
189 CREDIT SUISSE FUND MGMT (GUERN)
046 CURSITOR FUND
047 DARIER HENTSCH GROUP
048 DELTEC PANAMERICA TRUST CO. LTD
049 DISCOUNT BANK GROUP
050 DISCOVER INVESTMENTS
051 DOSSIER DE GESTION COLLECTIVE
052 DRESDNER BANK INVESTMENT GROUP
053 DUBIN & SWIECA
054 EBC FUND MANAGERS (Jersey) LTD
055 ED & F MAN INVESTMENT PRODUCTS
056 ERMITAGE LUX
057 EUROPA FUNDS LIMITED
058 EUROPEAN FINANCIAL GROUP EFG
059 EVEREST CAPITAL
060 FAIRFIELD GREENWICH GROUP
061 FAIRWAY INTERNATIONAL LTD
062 PERRIER LULLIN GROUP
063 FIDELITY INVESTMENT
064 FINANSA GROUP
066 FLEMING FUND MANAGEMENT LUXEMBOURG
068 FOKUS BANK A.S.
069 FOREIGN & COLONIAL EMERG MKTS LTD
070 FORMULA GROUP
188 FRIEDBERG MULTI-SECTOR FUNDS
071 FUND MARKETING GROUP (BID)
FURMAN SELZ FINANCIAL SERVICES
073 GAIA CURRENCY FUNDS
074 GEFINOR FUNDS
075 GENESEE FUND Ltd
076 GLOBAL ASSET MANAGEMENT
IDF INVT AND DEVT FINANCING LTD
077 GLOBAL CAPITAL MANAGEMENT LTD
078 GLOBAL FUTURES & OPTIONS SICAV
079 GORDON HOUSE ASSET MNGT
080 GOTTEX FUND MANAGEMENT
081 GRANITE CAPITAL INTL GROUP
082 GROUPE INDOSUEZ FUNDS
083 GRYPHON FUND MANAGEMENT LTD
085 GUINNESS FLIGHT
204 HAMBRO-SPINNER RENAISSANCE FD
086 HASENBICHLER ASSET MANGT
087 HERMES ASSET MANAGEMENT LTD
195 HIGH YIELD WORLD FUND
088 HUTZLER BROKERAGE
203 IIC CAPITAL MANAGEMENT LTD
089 INCOME PARTNERS ASSET MGT (HK) LTD
090 INTERINVEST (BERMUDA) LTD
091 INVESCO INT'L LTD
093 ITALFORTUNE INTL FUNDS
093 JAMES RIVER CAPITAL CORP.
094 JARDINE FLEMING, GPO Box 11448 Hg Kg
095 JULIUS BAER GROUP
096 JYSK INVEST
097 KEY ASSET MANAGEMENT INC
098 KI PACIFIC ASSET MANAGEMENT INC
099 LEHMAN BROTHERS
100 LIBERAL B.A.S. FUNDS
101 LIPPO INVESTMENTS
102 LLOYD GEORGE MNGMT
103 LLOYDS BANK INTL (BAHAMAS) Ltd
104 LOMBARD, ODIER & CIE - GROUP
104 LOMBARD ODIER OPPORTUNITY
OBLIFLEX LTD (CI)
104 LOMBARD ODIER INVEST
105 M.D. SASS RE/ENTERPRISE INTL LTD
105 MAGNUM FUNDS
106 MAGNUS BROS
107 MALABAR CAP MGMT (Bermuda) LTD
108 MANULIFE GLOBAL FUND
109 MATTHEWS INTERNATIONAL MGT
196 MAVERICK (CAYMAN)
111 MEESPIERSON
112 MERRILL LYNCH BANK (SUISSE) S.A.
113 MERRILL LYNCH EMERGING MARKETS
114 MERRILL LYNCH EQUITY / CONVERTIBLE SERIES
115 MERRILL LYNCH GLOBAL CURRENCY BOND SERIES
116 MERRILL LYNCH INC PORTFOLIO
117 MERRILL LYNCH MEXICAN INC PORT
118 MERRILL LYNCH
119 MILLENNIUM ASSET MANAGEMENT
120 MOMENTUM ASSET MANAGEMENT
122 MULTIMANAGER N.V.
123 NAM FOREX MANAGEMENT
124 NICHOLAS-APPLEGATE CAPITAL MGT
125 NOMURA INTL (HONG KONG) LTD
126 NORTH STAR FUND MANAGEMENT
127 OLD MUTUAL INTL (GUERNSEY) LTD
128 OLYMPIA CAPITAL INTL, INC
187 OPPENHEIMER & CO. INC
130 OPTIGESTION PARIS
131 OPTIMA FUND MANAGEMENT
132 ORBIS INVEST
133 ORBITEX GROUP OF FUNDS
134 PACTUAL
134 PARIBAS
135 PARIBAS MULTI-MANAGER GLBL FD PLC
137 PARK PLACE MANAGEMENT
138 PERMAL FAMILY OF FUNDS
139 PERPETUAL FUND MNGRS (JERSEY) LTD
140 PICTET & CIE - GROUP
141 PREMIER INVESTMENT FUNDS LTD
142 PRIMEO FUNDS
143 PUTNAM
144 QUANTUM GROUP OF FUNDS
145 RABOBANK
146 REGENT FUND MANAGEMENT LTD
147 REIG GLOBAL FUND
148 REPUBLIC FUNDS
197 RICHCOURT
149 ROBECO GROUP
150 ROTHSCHILD (GROUP EDMOND DE) GROUP FUNDS
152 SAFDIE GROUP/KEY ADVISORS LTD
153 SANTANDER NEW WORLD INV.
155 SKANDINAVISKA ENSKILDA BANKEN
185 SOCIETE FINANCIERE PRIVEE, GENEVA
156 SOCIETE GENERALE ASSET MANAGEMENT
157 SODITIC ASSET MANAGEMENT INC.
150 SOFA FUND LIMITED
SOPAER CAPITAL INC
168 SR GLOBAL FUND LTD
161 STANDARD FD MNGRS (GUERNSEY) LTD
162 SWISS BANK CORP.
163 TAIL WIND INC
164 TEMPLETON GLOBAL STRATEGY FUNDS
198 THE ENVIRONMENT INV
166 THE SAILORS FUND, SICAV
199 THE WIMBLEDON FUNDS
167 THEMA INTERNATIONAL FUND PLC
168 THORNTON INVESTMENT MGMT LTD
169 TITAN CAPITAL MGT
170 TRANS GLOBAL FUNDS GROUP
193 TWEEDY BROWNE VALUE FUNDS
171 UEBERSEEBANK Zurich
173 UNION BANCAIRE ASSET MGT (UBAM) INTERNATIONAL, NASSAU
174 UNION BANCAIRE ASSET MGT (UBAM) INTERNATIONAL, HAMILTON
175 UNION BANCAIRE ASSET MGT (UBAM) INTERNATIONAL, LUXEMBOURG
176 UNICO FINANCIAL SERVICES S.A.
177 UNION BANK OF SWITZERLAND/INTRAG
178 US GLOBAL INVESTORS INC GUERNSEY
192 WILLERFUNDS MANAGEMENT CO.
180 WORLDFOLIO CAP PRESERVATION PLUS
200 WP STEWART FUND PLC
181 WP STEWART GLOBAL GROWTH
179 WP STEWART HOLDINGS N.V.
191 WPS INVESTISSEMENTS S.A.

999 Other Funds

[illegible]

AS - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; CS - Canadian Dollars; DM - Deutsche Marks; Dkk - Danish Kroner; Do - US Dollars; ECU - European Currency Unit; FF - French Francs; FM - Finnish Mark; FL - Dutch Florin; IDR - Indonesian Rupiah; Lit - Italian lira; LF - Luxembourg Francs; p-pence; MYR - Malaysian Ringgit; Ptas - Pesetas; SGS - Singapore Dollars; SF - Swiss Francs; Sek - Swedish Kronor; THB - Thai Baht; Y - Yen;

a - asked + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - stock Split; * - Ex-Dividend; ** - Ex-Rts; - @ Offer Price incl. 3% prelim. charge; ~ - Paris exchange; ++ - Amsterdam exchange; e - misquoted earlier; x-not registered with regulatory authority; P: Middle of bid and offered price. E: estimated price; y: price calculated 2 days prior to publication; z: bid price.

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (f) - fortnightly; (r) - regularly; (t) - twice weekly; (m) - monthly.

The data in the list above is the n.a.v. supplied by the fund groups to Micropal SA. It is collated and reformated into the list before being transmitted to the IHT. Micropal and the IHT do not warrant the quality or accuracy of the list, the data of the performance of fides of the Fund Groups and will not be liable for the list, the data of Fund Group to any extent. The list is not and shall not be deemed to be an offer by the IHT or Micropal to sell securities or investments of any kind. Investments can fall as well as rise. Past performance does not guarantee future success. It is advisable to seek advice from a qualified independent advisor before investing.

NOKIA 9000 Communicator

WORLD ROUNDUP

A 500 Without Fans

Auto Racing The drivers were there, the cars were on the track and there was no rain forecast. But, with the Memorial Day weekend over, all that was missing at the Indianapolis 500 on were fans.

Parking lots outside the Indianapolis Motor Speedway were bare. The Snake Pit, the infield in turn four that is usually packed and rowdy, was dead. Many seats in the stands were empty. And scalpers lined the streets hawking handfuls of tickets. Only the hardiest of fans — and those who could get out of work — made it back Tuesday after the race was rained out for the second straight day Monday. *(AP)*

Ronaldo to Stay in Spain

SOCCER Ronaldo looked set Tuesday to become soccer's most expensive player when agents for the 20-year-old Brazilian striker reached an agreement with FC Barcelona to double his pay and extend his contract until 2006.

Under the deal, which concluded several months of talks, Barcelona's chairman, Jose Luis Nunez, agreed to raise Ronaldo's annual salary to 500 million pesetas ($3.5 million). *(AP)*

AP

A slimmed down John Daly, who said he was "very rusty."

Daly Back on Course

GOLF To cries of "Welcome back, John," John Daly happily returned to golf on Monday after undergoing rehabilitation treatment for alcohol abuse at the Betty Ford Center in California.

An enthusiastic sellout crowd of 30,000 descended on Farmington, Pennsylvania, 60 miles south of Pittsburgh, most attracted to the charity pro-am event by Tiger Woods' participation in a fund-raiser for leukemia research. Daly struggled to a 73, but he appeared thrilled to be back as he acknowledged cheers while striding the fairways and signing autographs between holes. Daly will return to the PGA Tour later this week at the Memorial in Dublin, Ohio. *(WP)*

Victory for Sri Lanka

CRICKET Sri Lanka took the Independence Cup title with an emphatic 85-run victory over Pakistan in the second final in Calcutta on Tuesday. *(AFP)*

Jack Dabaghian/Reuters

Jim Courier surrendering after losing a point — and later the five-set match — to Magnus Larsson of Sweden.

On the Job in Paris With Steffi Graf

Playing With a Bandaged Knee, She Easily Wins Opener

By Ian Thomsen
International Herald Tribune

PARIS — The aroma of chicken roasting for lunch was wading its way toward Steffi Graf late Tuesday morning, as if Paris itself were trying to reach out and give her a delicious hug. Then the wind came up, the attempt was dissolved, and she was isolated in her work again.

For Graf, a little nervously, her opening match Tuesday at the French Open might have felt like the first day on a new job — a job she was sure she could do, but a new one nonetheless.

She was absent for three months this year because of a knee injury, and her recovering performances this month have included a big loss by 6-0, 6-1 to Amanda Coetzer in Graf's homeland of Germany, as well as a tournament victory last weekend at Strasbourg. Now Graf was playing in front of a few thousand morning customers and exhibiting a persistent edginess, a spark in her movements in between the points, and a large square white bandage taped to her left knee.

That nervous energy was contrasted against the relaxed backdrop of Roland Garros, whose grounds would be filled later in the day with tens of thousands of relaxed, well-fed spectators turning pink in the sun, waiting in short queues for their ice creams. They moved from one court to another — there were 14 courts in play overall at Roland Garros — and could decide among themselves whether No. 2 Graf and her new rival, No. 1 Martina Hingis, also recovering from a knee injury, would meet in the final in 11 days.

At 27, it would be easy for Graf to accept physical decline and vanish in the happy, satisfied crowd around her. Instead, she overwhelmed Paola Suarez of Argentina in the first set and began the second with three cutting backhands, each finer than the last, the third turning into a feather as it crossed the net and landing without a bounce. She shut her eyes and tilted her head back into the sun, arms swinging at her sides, delighted. She really does love the game.

Though she went on to win, 6-1, 6-4, she was not nearly as sharp after that one blissful moment — which explains why, perhaps, she is so reluctant to indulge her emotions when she plays.

In a corner of the grounds just behind Graf's match, in an attic of a court tucked underneath the stands of a neighboring viewing area, the British No. 1, Tim Henman, was having a difficult time with the unrenowned Frenchman Olivier Delaitre. Henman, himself recovering from recent elbow surgery, lost by 6-2, 2-6, 1-6, 6-2, 6-4 and immediately began looking forward to Wimbledon, where he should benefit from the same kind of local support that Delaitre used against him here.

By the end, the crowd was giving a bullfighting cheer for each of the clinching points by Delaitre, who looks more like a rugby player than a professional now entering the second round of a Grand Slam tournament.

From Graf to Delaitre to Marcelo Rios, the tournament seemed to change as you walked from one court to the next. At Court No. 1, a medium-sized bowl where No. 7 Rios of Chile was beating Wayne Black of Zimbabwe, 6-4, 5-7, 4-6, 6-2, 6-1, you tended to feel as if you were watching future stars in development.

It is possible to follow the tournament from the courtyard, where the scores at every court are constantly updated and a giant TV screen shows featured play. It is also gloriously possible, if you have the proper ticket, to see signs of an upset about to strike the two-time former champion Jim Courier — then walk five minutes to the other end of the grounds and see Courier lose to Magnus Larsson of Sweden by the topsy-turvy result of 6-1, 6-2, 4-6, 1-6, 6-4.

Courier was replaced on the court by Hingis, the 16-year-old Swiss who cheerfully demolished Henrieta Nagyova of Slovakia, 6-0, 6-2, in 51 minutes.

■ Ivanisevic Is Ousted

The fourth-seeded Goran Ivanisevic became the first major casualty of the French Open when he was upset by Magnus Gustafsson, The Associated Press reported. Gustafsson beat the Croatian, 4-6, 6-4, 7-6 (7-3), 6-3. Clay is Ivanisevic's least favorite surface, and in Gustafsson he met an opponent who matched him shot for shot in a battle of big hitters.

The Old Lady of Turin Gets Ready for Borussia

International Herald Tribune

The Old Lady of Turin, *La Vecchia Signora* as the Juventus soccer team is affectionately known, turns 100 this year. She is in fine fettle, showing her wares wherever the sport matters, filling her bags with every conceivable piece of silverware.

Juventus is the world club champion, Italian champion — again— so-called Supercup champion, and will defend her European crown jewel Wednesday night in Munich.

All right, the opposition happens to be German, and Germans are never defeated until the fat lady sings, the final penalty kick, the whistle is blown.

However, Borussia Dortmund is not remotely a "home" team when it comes to the Olympic Stadium in Munich. Bavarians are not exactly second cousins in the soccer sense to those people who wear a fluorescent yellow outfit and whose harsh, industrial environs had dared to "borrow" the Bundesliga title until Bayern Munich reclaimed it a week ago.

Moreover, Dortmund is the resting place for "old" flames of Juventus.

No less than five players of the Borussia squad have worn Juventus cloth — defenders Julio Cesar, Stefan Reuter and Juergen Kohler, and the inventive midfield players Andy Moeller and Paulo Sousa.

They have had their reunions before. Three times Dortmund has faced Juventus in recent European encounters and three times the new Juventus has erased the old.

Juventus is, in the words of Frank De Boer, that fine, experienced player of Ajax Amsterdam, "a team from another planet."

Didier Deschamps, a European Champions Cup victor with Olympique Marseille, and then again with Juventus last year, dictates the rhythm.

Zinedine Zidane took his time to settle in after the years in Bordeaux, but he comes alive with mesmeric control of the ball and invention in the big games. At 24, Zidane should be entering his prime.

Then there is Vladimir Jogovic, formerly of Red Star Belgrade, a player whose free-kick technique or skill at dropping long passes into the path of teammates, is born of the technique that created the term "European Brazilians" for Yugoslavs.

With Ciro Ferrara — an Italian! — Paolo Montero, a Uruguayan, who is mean and reliable in defense, and Angelo Peruzzi, a strong and agile goalkeeper, plus the collective will to win, Juventus is complete.

It is also overblessed. A year ago, the coach, Marcello Lippi, offloaded Gianluca Vialli and Fabrizio Ravanelli, his two gladiatorial forwards and began to rebuild a team at the pinnacle of its sport. Why? Fresh blood, hungry new mento strive for the prize and push for glory.

One of his newcomers, Alen Boksic, has the sniping stealth of a Croatian warrior. He scores when it counts and runs where it matters. And his partner could be any one of three:

Alessandro Del Piero, last year's young soldier, bedeviled this year by

*SOCCER/***Rob Hughes**

and self-doubt, but still one of Italy's most precious sons. Or Christian Vieri, an emerging Italian center forward. Or Nicola Amoruso, 22, taking his opportunities with relish and swiftness.

There is one player on Dortmund's books who could improve Juventus' collection: Matthias Sammer, a German international, and the game's finest exponent of turning defense into attack.

He glides from his own half of the field, tall and long-limbed and instinctively aware of openings and movement.

If only he were fitter for more of the season. If only he were in the Old Lady's black-and-white dress, and not merely the leader of her castoffs.

But, soccer being the perverse game it is, maybe Sammer will have his way and Dortmund, a team perennially beset by medical problems, will mock every word of the above one-sided eulogy.

So long as it is a good game — how Europe needs that after the flat UEFA Cup and Cup Winners Cup finals — the reunion should be a rejoicing. Anyway, there is a second Old Boys gathering in Munich that, in the human sense, means even more.

UEFA has invited the eight surviving players of the Manchester United team whose plane crashed at the Munich airport in February 1958, killing 23 people including another eight players. Visiting the city again, walking around the hospital where they were treated, and getting reacquainted with one of the doctors who operated on some of them, are: Jackie Blanchflower, Bill Foulkes, Sir Bobby Charlton, Harry Gregg, Kenny Morgan, Albert Scanlon, Dennis Viollet and Ray Wood.

Their presence, and I hope their peace of mind, lends something to the occasion that not even a mother can give: a triumph over disaster that took lives but could not kill the love of the game.

Rob Hughes is on the staff of The Times of London.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION	W	L	Pct.	GB
Baltimore	32	15	.681	—
Toronto	25	21	.543	6½
New York	26	23	.531	7
Detroit	22	26	.458	10½
Boston	19	27	.413	12½
CENTRAL DIVISION				
Cleveland	26	21	.553	—
Milwaukee	22	23	.489	3
Kansas City	22	25	.468	4
Chicago	21	25	.457	4½
Minnesota	20	29	.408	7
WEST DIVISION				
Texas	26	21	.553	—
Anaheim	25	22	.532	1
Seattle	26	23	.531	1
Oakland	20	31	.392	8

NATIONAL LEAGUE

EAST DIVISION	W	L	Pct.	GB
Atlanta	34	15	.694	—
Florida	29	19	.604	4½
New York	27	22	.551	7
Montreal	26	22	.542	7½
Philadelphia	18	31	.367	16
CENTRAL DIVISION				
Houston	25	25	.500	—
Pittsburgh	24	25	.490	½
St. Louis	20	28	.417	4
Chicago	18	30	.375	6
Cincinnati	18	31	.367	6½
WEST DIVISION				
San Francisco	28	20	.583	—
Colorado	27	22	.551	1½
Los Angeles	26	23	.542	2
San Diego	20	28	.417	8

MONDAY'S LINE SCORES

AMERICAN LEAGUE

Milwaukee 000 020 000—2 8 0
Boston 000 000 012—3 7 1
McDonald, DeJones (8) and Matheny; Wakefield, Hammond (9) and Haselman, Stanley (9). W—Hammond, 2-3. L—D. Jones, 3-1. HR—Milwaukee, Matheny (2).

Anaheim 000 000 000—0 4 0
Detroit 000 101 04x—6 7 0
C.Finley, James (8), Hasegawa (8) and Kreuter; Olivares and B.Johnson. W—Olivares, 3-3. L—C. Finley, 2-4.

Baltimore 100 100 000—2 11 0
New York 004 200 000—6 10 0
Erickson, Boskie (6), Orosco (7), A. Benitez (8), Ra.Myers (9) and Webster; Pettitte, Nelson (7), Lloyd (7), Mecir (7) and Girardi. W—Boskie, 2-2. L—Pettitte, 6-3. Sv—Ra.Myers (16). HRs—Baltimore, By. Anderson (5). New York, Be.Williams (8).

Oakland 001 000 000 01—2 7 0
Kansas City 000 001 000 00—1 9 7
(11 innings) Telgheder, C. Reyes (8), Groom (9), W. Adams (10). A. Small (11) and Mayne; Appier, Mk.Williams (10) and Macfarlane. W—W. Adams, 3-5. L—Mk.Williams, 0-1. Sv—A. Small (2).

Seattle 400 214 002—13 14 0
Minnesota 020 301 200—8 13 2
S.Sanders, McCarthy (6), R. Wells (6), Ayala (8), Charlton (9) and Da.Wilson; Aldred, F. Rodriguez (1), Ritchie (5), Swindell (6), Trombley (9) and G. Myers. W—S. Sanders, 1-5. L—Aldred, 2-7. HRs—Seattle, RDavis (6), Buhner 2 (11). E. Martinez 2 (7), Cora (5). Minnesota, GMyers (2).

Cleveland 260 000 110—10 13 1
Chicago 200 100 100—4 6 0
Hershiser, Mesa (8), Graves (9) and S. Alomar; Navarro, Karchner (8) and Pena, Fabregas (8). W—Hershiser, 5-2. L—Navarro, 4-3. HRs—Chicago, F. Thomas (10), Cameron (1).

Texas 000 100 000—1 5 1
Toronto 440 000 00x—8 13 1
Sosiana, Vosberg (7) and I. Rodriguez; Clemens, Quantrill (8) and Santiago. W—Clemens, 9-0. L—Santana, 2-2. HRs—Texas, J. Gonzalez (8). Toronto, Sprague (9), Merced (5).

NATIONAL LEAGUE

Chicago 000 101 000—2 6 1
Pittsburgh 000 001 000—1 3 1
Foster, Rojas (7), T. Adams (9) and Houston; Servais (9); F.Cordova, M. Wilkins (8) and Kendall. W—Foster, 6-3. L—F. Cordova, 3-4. Sv—T. Adams (5). HRs—Chicago, Sosa (13). Pittsburgh, Womack (2).

St. Louis 650 110 000—7 14 0
Colorado 000 400 32x—9 13 0
Dn.Jackson, Petkovsek (4) and Lampkin; Ritz, Holmes (5), DeJean (8), S. Reed (9) and Manwaring. W—DeJean, 2-0. L—Petkovsek, 2-4. Sv—S. Reed (5). HRs—St.Louis, Gaetti (4), Gant (9). Colorado, Castilla (13), Colarraga (11), Weiss (2).

Houston 200 010 000—3 7 1
San Francisco 030 000 001—4 9 1
Reynolds, Martin (7), R. Springer (8), Lima (9) and Ausmus; Rueter, D. Henry (8), R. Rodriguez (9), Tavarez (9) and Jensen. W—Tavarez, 1-2. L—Lima, 0-3. HR—San Francisco, Bonds (8).

First Game:

Philadelphia 200 010 200—5 8 1
Cincinnati 105 110 00x—8 14 1
M.Leiter, E. Ramos, Plankenberg (7), R. Harris (7) and Lieberthal; Smiley, Remlinger (8) and Oliver. W—Smiley, 5-6. L—M. Leiter, 4-5. Sv—Remlinger (2). HRs—Philadelphia, Jefferies (4), K. Jordan (2). Cinc., Boone (2).

Second Game:

Philadelphia 062 000 001—4 8 2
Cincinnati 232 000 00x—8 10 0
Beech, Blazier (2), E. Ramos (5), Ryan (7), Spradlin (8) and Parent; Morgan, Sullivan (8) and Fordyce. W—Morgan, 2-4. L—Beech, 0-1.

New York 000 100 030—4 7 1
Montreal 001 007 100—3 8 1
R.Reed, Lidle (7), Kashiwada (8), McMichael (8), J. Franco (9) and Castilla; Blaser (7), Bullinger, Urbina (8), D. Veres (9) and Fletcher. W—Lidle, 3-0. L—Urbina, 2-4. Sv—Franco (14). HR—Montreal, Strange (4).

Florida 000 100 200—3 8 1
Los Angeles 010 210 01x—5 8 1
Helling, Hutton (7) and Zaun; Park, Osuna (7), Guthrie (8), T.Worrell (9) and Piazza. W—Park, 3-2. L—Helling, 1-3. Sv—T. Worrell (14). HRs—Florida, Abbott (3), Floyd (2). Los Angeles, Mondesi (11), Karros (7), Zelle (8).

Atlanta 222 020 040—12 16 0
San Diego 400 000 100—5 11 1
Wade, Borowski (3), Bielecki (5), Embree (7), Clontz (8), Byrd (9) and J. Lopez; T.Worrell, H. Murray (4), P. Smith (7), Burrows (8), Cummings (8) and Flaherty. W—Borowski, 2-0. L—T. Worrell, 2-6. HR—San Diego, Shipley (2).

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Yakult	26	16	—	.619	—
Hiroshima	20	19	—	.513	4.5
Chunichi	21	20	—	.512	4.5
Hanshin	19	22	—	.463	6.5
Yokohama	17	20	—	.459	6.5
Yomiuri	17	23	—	.425	8.0

TUESDAY'S RESULTS

Yakult 4, Yokohama 3
Hanshin 3, Chunichi 1
Yomiuri 4, Hiroshima 1

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Seibu	26	15	—	.634	—
Daiei	21	21	—	.500	5.5
Orix	18	18	—	.500	5.5
Lotte	18	20	1	.474	6.5
Nippon Ham	19	22	—	.463	7.0
Kintetsu	17	23	1	.425	8.5

TUESDAY'S RESULTS

Seibu 5, Orix 2
Nippon Ham 2, Daiei 1
Lotte 3, Kintetsu 2

BASKETBALL

NBA Playoffs

EASTERN CONFERENCE FINALS
(BEST-OF-SEVEN)
MONDAY'S RESULTS

Chicago	19	12	26	23—	80
Miami	24	23	14	26—	87

C: Jordan 9-35 11-13 29, Pippen 5-17 2-2 14; M: Hardaway 9-19 2-2 25, Mourning 8-13 2-6 18, Rebounds—Chicago 53 (Rodman 11), Miami 55 (Mourning 14), Assists—Chicago 17 (Pippen 5), Miami 16 (Hardaway 7).
(Chicago leads series 3-1)

ICE HOCKEY

NHL Playoffs

CONFERENCE FINALS
(BEST-OF-SEVEN)
SUNDAY'S RESULT

Colorado	0	0	1—1
Detroit	0	1	2—3

First Period: None. Second Period: D-Lapointe 2 (Larionov) Third Period: D-Fedorov 5 (Kozlov, Brown) 3, C-Young 4 (Desdmarais, Forsberg) 4, D-Shanahan 6 (Larionov) (en). Shots on goal: C- 3-5-8—16. D- 14-16-12—42. Goalies: C-Roy. D-Vernon.
(Detroit wins series 4-2)
Detroit meets Philadelphia in Stanley Cup Finals with first game on Saturday, May 31.

SOCCER

SPANISH FIRST DIVISION
Valencia 1 Real Betis 1
STANDINGS: Real Madrid 86 points; Barcelona 84; Real Betis 74; Deportivo Coruna 74; Atletico Madrid 68; Athletic Bilbao 58; Valladolid 58; Real Sociedad 54; Valencia 53; Tenerife 52; Zaragoza 49; Compostela 49; Racing Santander 48; Celta 46; Espanyol 45; Oviedo 44; Sporting 43; Rayo Vallecano 42; Extremadura 41; Sevilla 37; Hercules 35; Logrones 32.

ISRAELI STATE CUP
Hapoel Beersheba 1, Maccabi Tel Aviv 0

TENNIS

French Open

1ST ROUND
WOMEN'S SINGLES
Raymond, U.S. def. Maleeva, Belg, 4-6, 7-5, 6-3.
Dragomir, Rom. def. Jeyaseelan, Can, 6-3, 6-2.
Van Roost, Belg., def. Barbara Rittner, Germany, 3-0 ret.
Spirlea (13), Rom. def. Janet Lee, U.S, 6-1, 6-0.
Begerow, Ger. def. Grzybowska, Pol, 3-4, 6-3, 6-4.
Koumikova, Rus., def. Zrubakova, Slovakia, 6-3, 6-2.
Pizzichini, It., def. Cacic, U.S., 7-6 (7-5), 7-5.
Tanasugarn, Thai. def. Courtois, Belg, 7-6 (7-2), 6-4.
Graf (2), Ger. def. Suarez, Arg, 6-1, 6-4.
Ruano-Pascual, Sp. def. Montalio, Sp, 6-0, 6-0.
Habsudova (15), Slovakia, def. Barabanschikova, Belarus, 6-3, 6-3.
Likhovtseva, Rus. def. Nemeckova, Czech, 6-4, 6-3.
Tauziat, Fr. def. Simpson, Can, 6-3, 6-2.
Schultz-Mccarthy (14), Neth. def. Cenkova, Czech 6-3, 7-5.
Yoshida, Jap. def. McQuillan, Austr, 6-2, 6-4.
Sugiyama, Jap. def. Wagner, Ger, 5-7, 6-4, 6-1.
Ghirardi-Rubbi, Fr. def. Oremans, Neth, 2-6, 6-2, 6-3.
Kandarr, Ger. def. Garcia, Sp, 7-6 (7-1), 6-3.
Makarova, Rus. def. Dechaume-Balleret, Fr, 6-4, 6-2.
Farina, It. def. Wiesner, Austria, 6-2, 1-6, 6-0.
Fernandez (12), U.S., def. Lori McNeil, U.S., 6-2, 6-3.
Cecchini, It. def. Enda, Jap, 7-6 (7-5), 7-6 (7-4).
Grossman, U.S., def. Gersi, Czech, 6-3, 6-0.
Novotna (4), Czech. def. Torrens-Valero, Sp., 6-3, 6-2.
Neiland, Lat., def. Sidot, Fr, 6-2, 7-5.
Parfetti, It. def. Miyagi, Jap, 7-6, (7-3), 2-6, 6-0.
Hy-Boulais, Can. def. Dechy, Fr., 6-7 (6/8), 6-4, 11-9.
Maouresma, Fr. def. Watanabe, U.S., 6-3, 6-4.
Hingis (1), Switz. def. Nagyova, Slovak, 6-0, 6-2.
Sanchez Vicario (6), Sp., def. Jagelnick, Fr., 6-0, 6-2.
Pitkowski, Fr. def. Lubiani, It, 7-6 (7-2), 6-2.
Lamarre, Fr. def. Schett, Austria 6-1 ret.
Cristea, Rom. def. Probst, Ger, 6-3, 6-4.
Glass, Ger. def. Cattens, Belg, 6-3, 4-6, 6-2
Labat, Arg. def. Boogert, Neth, 7-5, 6-0.
Testud, Fr. def. Sung-Hee, S. Kor, 6-0, 6-4.
Zvereva, Bel. def. Tu, U.S, 6-1, 3-6, 6-4.
Po, U.S. def. Huber (8), Ger, 6-3, 4-6, 6-3.
Glass, Ger. def. Cattens, Belg, 6-3, 4-6, 6-2.

MEN'S SINGLES
Dewulf, Belg. def. Caratti, Italy, 6-3, 6-3, 6-1.
Medvedov, Ukr. def. Berasategui (12), Spain, 6-4, 4-6, 2-6, 6-2, 2-1.
Rassel (15), Switz. def. Hrbaty, Slovakia, 7-5, 3-6, 7-5 (7-2), 6-4.
Muster (5), Austria, def. Goellner, Germ., 4-6, 7-6 (7-4), 6-2, 6-7 (2-7), 6-4.
Tarango, U.S., def. Filippini, Urg, 4-6, 6-2, 5-7, 7-6 (9-7), 6-4.
Woodruff, U.S. def. Vacek, Czech, 6-4, 6-2, 6-2.
Moya (9), Sp. def. Martin, Sp, 6-3, 6-7 (3-7), 5-7, 6-3, 6-3.
Arazi, Mor. def. Dreekmann, Ger, 6-3, 6-4, 6-2.
Woodbridge, Australia, def. Carlsen, Den, 7-6 (8-6), 4-6, 6-4, 6-0.
Lapentti, Ecu. def. Fetterlein, Den, 6-4, 6-1, 6-2.
Philippoussis, Australia, def. Kulti, Swe, 6-2, 4-6, 3-6, 6-4, 6-4.
Rios (7), Chl. def. Black, Zim, 6-4, 3-5, 7-6, 6-2, 6-1.
Delaitre, Fr. def. Henman (14), Brit. 6-2, 2-6, 1-6, 6-2, 6-4.
Norman, Belg. def. Sargsian, Arm, 6-2, 7-5, 6-3.
Larsson, Swe. def. Courier, U.S., 6-1, 6-2, 4-6, 1-6, 6-4.
Volkov, Rus. def. Nestor, Can, 6-1, 6-1, 3-6, 6-2.
Ondruska, S. Af. def. Pastura, Arg, 7-6 (7-3), 6-2, 6-1.
Stolle, Australia, def. Furlan, It, 7-5, 6-1, 4-6, 6-3.
Simian, Fr. def. Schaller, Austria, 2-6, 6-4, 4-6, 6-4, 6-2.
Golmard, Fr. def. Clement, Fr, 6-1, 6-2, 6-3.
Boetsch, Fr. def. Kucera, Slovak, 6-1, 6-1, 6-4.
Van Scheppingen, Neth. def. Haarhuis, Neth, 6-2, 6-4, 5-7, 6-4.
Ullrich, Czech. def. Kleier, Ger, 6-3, 6-3, 6-3.
Krocska, Hun. def. Krosiak, Slovak, 7-5, 6-3, 4-6, 7-6 (7-5).
Black, Zimb. def. Squillari, Arg, 1-6, 6-3, 6-3, 6-3.
Bruguera (16), Sp. def. Van Herck, Belg, 6-3, 0-6, 6-2, 6-0.
Bianco, Sp. def. Godwin, S. Af, 6-3, 6-2, 1-6, 7-5.
Pavel, Rom. def. O'Brien, U.S., 6-4, 7-5, 6-0.
Mantilla (10), Sp. def. Fromberg, Australia, 6-3, 6-2, 6-2.
A.Costa (11), Sp. def. Voinea, Rom, 6-4, 7-5, 6-4.
Chang (2), U.S., def. Gilbert, Fr, 6-2, 6-3, 6-2.
Krajicek (6), Neth. def. Draper, Australia 7-6 (7-3), 6-2, 6-1.
Korda, Czech. def. Burillo, Sp, 6-4, 6-0, 7-6 (7-4).
Woodforde, Australia, def. Sanchez, Sp, 5-7, 7-6 (8-6), 6-7 (10-12), 6-4, 8-6.
C.Costa, Sp. def. Doug Flach, U.S, 6-4, 6-0, 6-1.
Ferreira (13), S.Af. def. Tillstrom, Swe, 6-7 (1-7), 7-6 (7-3), 6-7 (2-7), 6-3, 6-1.
Gustafsson, Swe., def. Ivanisevic (4), Cro, 4-6, 6-3, 7-6 (7-3), 6-3.

TRANSITIONS

BASEBALL
AMERICAN LEAGUE
BOSTON—Recalled RHP Jeff Suppan from Pawtucket, IL. Optioned LHP Jeff Grundt to Pawtucket.
CHICAGO—Purchased contract of 3B Scott Coolbaugh from Waterbury, NL.
CLEVELAND—Designated OF Kevin Mitchell and RHP Teddy Warrecker for assignment. Optioned INF Damian Jackson and LHP Steve Kline to Buffalo, AA. Recalled RHP Danny Graves from Buffalo. Purchased contracts of OF Trenidad Hubbard and INF Casey Candaele from Buffalo.
MINNESOTA—Activated RHP Bob Tewksbury and Activated OF Marty Cordova from 15-day disabled list. Put RHP Dan Naulty on 15-day disabled list. Optioned 3B Todd Walker to Salt Lake City, PCL.
SEATTLE—Released RHP Dennis Martinez. Recalled RHP Mike Maddux from Tacoma, PCL.
TEXAS—Activated RHP Ken Hill from the 15-day disabled list.
TORONTO—Purchased contract of OF Ruben Sierra from Syracuse, IL. Optioned LHP Huck Flener to Syracuse.

NATIONAL LEAGUE
CINCINNATI—Put OF Reggie Sanders on 15-day disabled list. Recalled OF Mike Kelly from Indianapolis, AA.
COLORADO—Sold contract of OF Darnell Coles to Hanshin of the Japanese Central League. Purchased contract of OF Harvey Pulliam from Colorado Springs, PCL.
NEW YORK—Sent RHP Andy Zwaricitz to Atlanta to complete the Greg McMichael trade.
PITTSBURGH—Put OF Mark Smith on 15-day disabled list. Recalled INF Freddy Garcia from Calgary, PCL.
ST. LOUIS—Sent 1B Dmitri Young to Louisville, AA on a rehabilitation assignment.
SAN DIEGO—Activated OF Rickey Henderson from 15-day disabled list. Placed OF Chris Jones on 15-day disabled list.
SAN DIEGO—Activated INF Scott Livingstone from the 15-day disabled list. Optioned LHP Joey Long to Las Vegas, PCL.

HOCKEY
NATIONAL HOCKEY LEAGUE
NHL—Fined Colorado coach Marc Crawford $10,000 for attempting to get to Detroit's bench during Game 4 of Western Conference final.
MONTREAL—Named Alain Vigneault coach and Dave King assistant coach.
TORONTO—Fired Cliff Fletcher, president and general manager. Promoted assistant general manager Bill Watters to interim general manager.

Escorts & Guides

BELGRAVIA ORCHIDS
LONDON - PARIS
THE FINEST & THE MOST SINCERE 18 - 38+ INTERNATIONAL BEAUTIFUL & ELEGANT STUDENTS SECRETARIES, AIR HOSTESSES & MODELS + AVAILABLE AS YOUR COMPANION 24HRS SERVICE WORLDWIDE Escort Agency Credit Cards Welcome
TEL: LONDON ++ 44 (0)
0171 589 5237
ROYAL PLATINUM SERVICE

ATLANTIC
LONDON PARIS NEW YORK
Switzerland Benelux Cote d'Azur
INTERNATIONAL ESCORT SERVICE
++ 44 (0) 7000 77 04 11/22
kiss@at-star.com

CHIC-VIP
INTERNATIONAL ESCORT SERVICE
LONDON PARIS NEW YORK
Cote d'Azur Germany Prague
++ 44 (0) 7000 24 28 91
info@chic-vip.com

" ADORABLE GENEVA ESCORT "
Discreet, WARM Escort Service.
Call 022 / 321 99 61

SWITZERLAND-GERMANY-BELGIUM
++31-20-427 28 27
Zurich-Geneva-Basel-Bern-Frankfurt-Mainz-Wiesbaden-Cologne-Bonn-Dusseldorf-Munich-Berlin-Brussels-Antwerp + A: Vienna
LONDON: (0)171-978 6606
COSMOS Escort Agency - Credit Cards

INTERNATIONAL ESCORTS
World's First & Most Exclusive Service
Models, Beauty Queens, Actresses
Multilingual Travel Companions
Hdqtrs. 212-765-7896 NY, USA
office@intl-escorts.com
Rated "Best in New York" by New York Magazine. Service worldwide.

VENUS IN FURS
24HR WORLDWIDE ESCORT SERVICE
LONDON 0171 362 7000
All cards. Advance bookings welcome

"GUYS & DOLLS ESCORT SERVICE"
MILAN"ROME"ITALY"LONDON"PARIS
BRUSSELS"LUGANO"MADRID"MUNICH
D'DORF"FFURT"BERLIN"VIENNA"LYON
COTE D'AZUR"MARBELLA"MAJORCA
TOKYO"SCANDINAVIA"LUXEMBOURG
Tel: +39 (0) 338 852 3788 Credit Cards

HIGH SOCIETY
Executive Escort Service
Germany, Paris, New York, London
Tel: London 0171 286 1033

PRESTIGE ESCORT AGENCY
Bilingual PARIS & GENEVA Switzerland.
Contact directly agency in French
Tel: 00-41-22-9295794 daily

"EUROCONTACT INT'L"
Top local & travel service worldwide
PARIS"STOCKHOLM"GENEVA"ZURICH
RIVIERA"BRUSSELS"LONDON"VIENNA
MILAN"ROME"all GERMANY & USA
Escort Service Vienna ++43-1-212 0431

HEIDI'S HIGH SOCIETY"VIENNA"PARIS
COTE D'AZUR"ZURICH"GENF"MUNICH
International Escort & Travel Service
Vienna ++43-1-5354104 all credit cards

ARISTOCATS Escort Service
3 Shouldham St. London W1
0171 258 0090

Male Escort Service
for Ladies in London
Tel: 0802-624722.

MILAN " ITALY " TOP CLASS
Julia Escort Service 39/ 6348.2257767

"BIG APPLE"
Bern"Zurich"Basel"Geneva"Luzern
Ticino"Milano"Munich"Paris"London
Only int'l exclusive top ladies
Escort Agency ++41 (0)79 407 09 51

SILVER STAR ESCORT AGENCY
TEL: ++ 44 (0) 7000 74 57 87
EMAIL: info@silstar.com

CHELSEA ESCORT SERVICE
51 Beauchamp Place, London SW1
Tel: 0171-584 6513

GENEVA PRETTY WOMAN
BASEL, LAUSANNE, MONTREUX
Call 022 / 346 00 89 Escort Agency
Credit cards accepted

HARMONY & NINA, SPAIN
EXCLUSIVE Top Escort Service. English
Madrid-Tel: +34-1 398 35 88/608 618964
Barcelona - Tel: 34-9-296 86 98

EBONY & IVORY Escort Service of Heathrow & London. Exquisite young ladies. 24 hour service available.
Tel: 0181 707 3767

LATIN BEAUTY
PRETTY FRIENDLY PRIVATE
ESCORT SERVICE
LONDON 0956 307 404

ALICE BEAUTIFUL CHARMING Blond, proposes Private Escort Service, London
Tel: 0956 659662

AMSTERDAM * DREAMS * ESCORTS and Dinner Date Service for Him or Her.
Tel: +31 (0) 20 - 64 02 668 / 64 02 111

ANGELIQUE *** VIP Escort Service
London 0171 589 9540
Credit cards accepted late night

BEAUTIFUL DANISH MODEL Friendly and Very High Class Escort Service. Tel: London 0171 376 7921 or 0468 353 424

BERN, BASEL, ZURICH
Escort Service.
+077/88 55 05. All cards.

BLACK BEAUTY ESCORT SERVICE
Exclusive Elegant Educated & Friendly
London & Heathrow. 01819082261.Cards

"CONNOISSEUR" NYC
Top Class Escorts
Tel: 212-679-1991

EXECUTIVE CLUB
LONDON ESCORT SERVICE
TEL: 0171 722 5008 Credit Cards

EXCLUSIVE ESCORT SERVICE London
Beautiful & Elegant 24 HOURS
TEL: 0374 988 675

FRANKFURT RED BARON
ESCORT SERVICE, EVERY DAY
TEL: 069 - 68 92 00

GABI'S ESCORT-GERMANY,Swiss,UK
Frankfurt-Cologne-Zurich-Basel-London
Tel: Germany ++49 (0) 171-5311905

HIGHLIGHTS
FRANKFURT INT'L ESCORT SERVICE
PLEASE CALL: 069 / 955 20 774

JULIA BEAUTIFUL YOUNG Brunette
Friendly and very Shapely. Private Escort
Service London Tel: 0410 772 816

LONDON HEATHROW GATWICK
JAPANESE ESCORT SERVICE
0956 572543 Credit cards

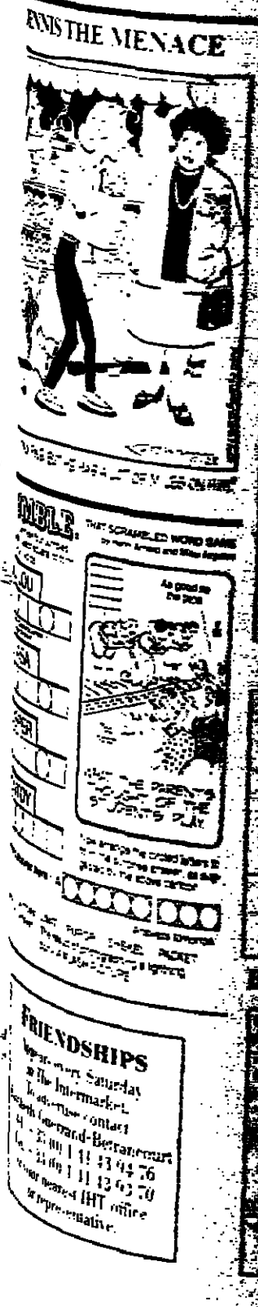
NATASHA MANN
Premier London Escort Service
Tel: 0171 581 8000

SUZANNE'S PRIVATE Escort Service
London SW7. Friendly Service
Tel: 0171 244 7842

VALENTINES INTERNATIONAL
VIP Escort Service photos to view central London office 0171 835 0005 all cards

WARSAW MODEL ESCORT
AND TRAVEL SERVICE. Call
+48 22 671 08 48 or +48 602 22 41 45

"ZURICH " CAROLINE"
Escort Service
Tel: 01 / 261.49.47



SPORTS

A Victory for the Heat

Did Jordan's Golfing Sink Bulls?

By J. A. Adande
Washington Post Service

MIAMI — The Miami Heat's players can keep their golf clubs in storage, and perhaps a certain Chicago Bulls' player should put his clubs away.

The Heat stayed alive in the Eastern Conference finals Monday with an 87-80 victory in Game 4. Or should that be Game Fore?

Golf was a recurring theme Monday at Miami Arena, from the golf ball-sized knot that swelled up on Scottie Pippen's head — thanks to an Alonzo Mourning elbow — to the questions about Michael Jordan's decision to play 48 holes at a local golf course Sunday. In one Freudian slip during his postgame news conference, Jordan even mistook which sport is supposed to be his priority right now.

"I don't think that had anything to do with the way that I played today," said Jordan, who finished with 29 points on 9-for-35 shooting. "All throughout the series, when I've had days off, I've relaxed and gotten away from the game of golf, uh, the game of basketball."

After a day of swinging the clubs in the draining humidity of South Florida, Jordan missed his first 14 shots and 20 of his first 22 as the Bulls fell behind by 21 points. Even though Jordan found his stroke — shooting, not putting — in time to put together a 20-point fourth quarter that brought Chicago back within a point, the Bulls could not overcome a Heat team that finally looked like the group that won 61 games during the regular season instead of one that was embarrassed at home Saturday in a 98-74 blowout loss to the Bulls.

Mourning had 18 points and 14 rebounds. Tim Hardaway, who scored only 34 points in the first three games, finally shook loose from the Chicago defense for 25 points and six assists. Jamal Mashburn scored 17 points.

After the ease in which they won Game 3 to take a 3-0 lead, the Bulls were all set to complete their sweep. Instead they failed to put an early end to a series for only the fifth time in their past 24 opportunities and now must play Game 5 Wednesday night in Chicago.

Jordan's shots repeatedly came up short in the first half, which led to speculation that he had lost his energy on the links Sunday at Turnberry Isle.

"I'm not going to blame what I did today on what I did yesterday," Jordan said. "I felt fresh. I felt good. I played 45 minutes. I can't really say that bothered my energy level. I just didn't have a rhythm offensively."

The Bulls' coach, Phil Jackson, defended Jordan's decision to play golf, but his displeasure showed when he was repeatedly asked about it.

"Michael knows how to take care of himself," Jackson said. "If that was what he called for during the day, then that's his priority. I let them have a day off yesterday, as far as work, and they had their opportunity to have a good time, and it might have cost them. This time of year, sometimes it's better to do those things than to stick your nose to the grindstone all the time."

Miami's Alonzo Mourning getting a grip on Chicago's Dennis Rodman.

Red Wings Gain Finals, Ousting Avalanche, 3-1

By Lynn Henning
New York Times Service

DETROIT — Playing as if they were petrified at the thought of having to face Game 7 of the Western Conference finals at Denver, the Detroit Red Wings finished off the defending Stanley Cup champions, the Colorado Avalanche, 3-1, to earn their second trip in three years to the Stanley Cup finals.

The Red Wings will be trying to win their first cup since 1955 when they face the Flyers in a four-of-seven-game series that begins Saturday in Philadelphia. In their last trip to the finals, in 1995, the Red Wings were dismissed in four games by the New Jersey Devils.

NHL Playoffs

"I told the team before the game, it's so hard to get to the finals, they would rue the day they showed up and didn't play the game of their lives," said Detroit's coach, Scotty Bowman. "When you can knock out the Stanley Cup champions in one game, you've got to do it."

Patrick Roy was about all that separated the Red Wings from what could have been a blowout. Detroit ripped shot upon shot at the Colorado netminder during a furious opening 20 minutes on Monday night.

But no matter if it was Vyacheslav Fetisov on a rocket from the slot, Brendan Shanahan from point-blank range in front of the crease or Steve Yzerman on a wraparound attempt, Roy knocked away all 14 shots from a Red Wings team that played with fury. Over all, Roy stopped 40 of 42 shots. "Ultimately they wore our team down," Colorado's coach, Marc Crawford, said.

"Patrick gave us a chance to steal one, but at this level you don't try to steal games."

The Avalanche, on the other hand, barely bothered the Red Wings' goalie, Mike Vernon, who stopped 15 of 16 shots.

Detroit finally solved Roy at 3 minutes 29 seconds of the second period on Martin Lapointe's blast from atop the left circle.

The Red Wings were dominated by the Avalanche, 6-0, in Game 5 at Denver and several of the Detroit players said they had to win Monday night — a tacit admission that they were long shots in a series finale on Avalanche ice.

A sense of desperation marked Detroit's play even as it took a 1-0 lead into the third period. The Red Wings continued to storm Roy, getting a second goal at 6:11, when Sergei Fedorov scored off a pass from Slava Kozlov.

Colorado was enjoying a different night altogether on offense as the Red Wings disjointed them well into the third period and made life relatively comfortable for Vernon.

The Avalanche finally scored at 14:48 of the third period on Scott Young's rebound of Adam Deadmarsh's shot.

Roy was pulled for an extra attacker with 47 seconds remaining but Shanahan ended any hopes the Avalanche had of overtime when he scored into an empty net at 19:30 to clinch the victory.

Orioles Score Comeback Victory in N.Y.

Yankees Get a Taste of Their '96 Medicine: Grit and a Mighty Bullpen

By Mark Maske
Washington Post Service

NEW YORK — The Baltimore Orioles took this one straight from the New York Yankees' 1996 World Series-winning formula. They used grit and a dominant bullpen performance to win a game they had no right to win. The Orioles rallied from a four-run, seventh-inning deficit and handed their '96 nemesis an 8-6 defeat at Yankee Stadium.

The Orioles won Monday night for the seventh time in nine games to improve their record to 32-15, dropping the Yankees (26-23) seven games behind them in the American League East. The Toronto Blue Jays, meanwhile, trailed by 6½ games after their 8-1 victory over the Texas Rangers.

"I think it's significant when you come back against any team," said Orioles center fielder Brady Anderson, who provided two hits and three RBIs.

Yankees starter Andy Pettitte took a 6-2 lead into the seventh, but the Orioles got Anderson's two-run double and B.J. Surhoff's two-run, two-out single off reliever Graeme Lloyd in a six-run inning. Reliever Jesse Orosco then retired the side in order in the bottom of the seventh. Armando Benitez struck out all three batters he faced in the eighth and Randy Myers got the final three outs in order for his 16th save.

After Shawn Boskie (2-2) allowed the first two hitters he faced in the sixth to reach base, Orioles relievers retired the final 12 Yankees.

"If you want to compete for a division title, you need to have balance in your bullpen," Johnson said.

Anderson hit Pettitte's first pitch of the day over the right field fence for his third leadoff home run of the season. The Yankees got a two-run triple from Tim Raines, Derek Jeter's RBI groundout and Bernie Williams's homer off Erickson in the third. Surhoff had an RBI single in the top of the fourth, but Jeter responded with a two-run single for a 6-2 New York advantage.

The Yankees beat the Orioles 14 times in the teams' 18 meetings last year and captured their AL Championship Series showdown in five games. They seemed likely to coast home on Monday behind Pettitte (6-3). But the left-hander got into trouble in the seventh. Surhoff got a leadoff single and Jeffrey Hammonds walked. Lenny Webster's RBI single and Pettitte's run-scoring wild pitch got the Orioles to 6-4, and Mike Bordick walked. Yankees Manager Joe Torre stuck with Pettitte even with lefty Lloyd ready in the bullpen. Anderson responded with a drive to center field to score Webster and Bordick.

Torre went to right-hander Jeff Nelson. Jeff Reboulet bunted Anderson to third base. Cal Ripken followed with a check-swing tapper, and Nelson should have had an easy out at first base. But his foot slipped as he made the throw, and first baseman Tino Martinez couldn't make the scoop. Anderson held at third base, and Ripken was given a hit. Torre brought in Lloyd, who retired Rafael Palmeiro. The Yankees walked Chris Hoiles intentionally to load the bases, but Surhoff got Anderson and Ripken home with a bouncer through the middle. "I threw the pitch inside, where I wanted to throw the pitch," Lloyd said. "I jammed him, and he just hit it up the middle."

In other games, The Associated Press reported:

Indians 10, White Sox 4 Indians 1, Albert Belle 0. That's how fans may view Cleveland's victory in Chicago.

But those closest to the situation had a different perception of Belle's first game against his former club.

"The White Sox were good before Albert signed and they're a good team after Albert signed," Indians manager Mike Hargrove said. "We didn't come here to play Albert. We came here to play the White Sox."

Blue Jays 8, Rangers 1 At Toronto, Roger Clemens (9-0) became the AL's first nine-game winner, allowing one run and four hits in seven innings and striking out seven. Off to his best start since going 14-0 in 1986, he lowered his league-leading ERA to 1.81.

Tigers 6, Angels 0 At Detroit, Omar Olivares (3-3) pitched a four-hitter for his second shutout this season. He won for the first time since blanking Cleveland, 6-0, on May 10.

Red Sox 3, Brewers 2 At Boston, Tim Naehring hit a two-run double with one out in the ninth as Boston rallied for just its fifth win in 20 games.

Athletics 2, Royals 1 In Kansas City, Scott Spiezio singled home Jose Canseco with one out in the 11th. Canseco drew a one-out walk off Mike Williams (0-1), and Jason Giambi singled before Spiezio hit a clean single to right. Kansas City starter Kevin Appier struck out a season-high 10 in nine innings, but didn't get any run support and failed in his fourth attempt to get his 100th career victory.

Mariners 13, Twins 8 At Minneapolis, Edgar Martinez and Jay Buhner both homered twice, and Joey Cora extended his hitting streak to 21 games for Seattle.

Reds 8, Phillies 5; Reds 8, Phillies 4 After their worst start in nearly a half-century, the Cincinnati Reds have won four in a row.

Barry Larkin reached base safely in all seven plate appearance Monday night, extending his streak to 12, two short of the NL record set by Pedro Guerrero in 1985 and four short of Ted Williams' major league record set in 1957.

Cubs 2, Pirates 1 Chicago's Sammy Sosa and Pittsburgh's Tony Womack hit inside-the-park homers five minutes apart in the sixth inning. It was the first time two inside-the-park homers have been hit in the same NL game since Lou Brock and Hector Cruz of St. Louis did it against San Diego on June 18, 1976.

Rockies 9, Cardinals 7 Andres Galarraga hit a 469-foot two-run homer, and Vinny Castilla added a solo shot as Colorado overcame a 6-0 deficit at Coors Field.

Braves 12, Padres 5 Michael Tucker drove in three runs on two doubles and a triple and scored twice as visiting Atlanta beat San Diego for the sixth straight time.

Mets 4, Expos 3 Rey Ordonez drove in the go-ahead run with a two-out single in the eighth following a two-run single by pinch-hitter Matt Franco off Ugueth Urbina (2-4).

Dodgers 5, Marlins 3 Eric Karros hit a tiebreaking two-run homer and Todd Zeile and Raul Mondesi hit solo shots as Los Angeles won its third straight.

Giants 4, Astros 3 Barry Bonds homered off Jose Lima (0-3) to break a 3-3 tie in the ninth at San Francisco.

Ray Stubblebine/Reuters

Cal Ripken Jr., the Orioles third baseman, diving for a ball as the crowd at Yankee Stadium looks on.

DENNIS THE MENACE

"HE'S ONLY FIVE, BUT HE HAS A LOT OF MILES ON HIM."

PEANUTS

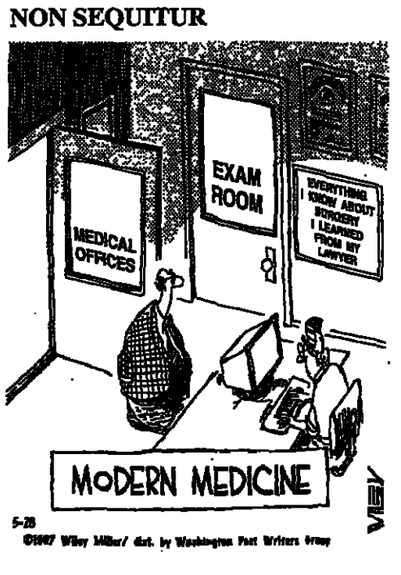
CALVIN AND HOBBES

GARFIELD

WIZARD of ID

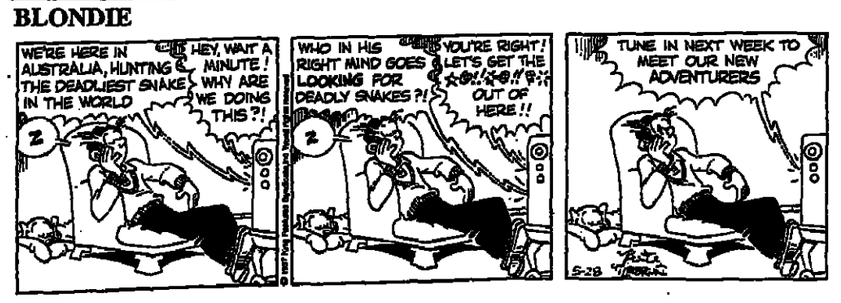
BEETLE BAILEY

NON SEQUITUR



DOONESBURY

BLONDIE



JUMBLE®

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

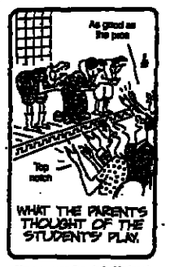
Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

SYLOU

SYASA

CUSPER

CONTOY



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon

Print answer here: A

(Answers tomorrow)

Yesterday's Jumbles: LIMIT FUROR SHEIKEL PACKET
Answer: The result of photographing a lightning bolt = A FLASH PICTURE

FRIENDSHIPS
Appears every Saturday in The Intermarket.
To advertise contact Kimberly Guerrand-Betrancourt
Tel.: + 33 (0) 1 41 43 94 76
Fax: + 33 (0) 1 41 43 93 70
or your nearest IHT office or representative.

OBSERVER

Most Jokes Verboten

By Russell Baker

NEW YORK — Polish jokes verboten. Black jokes verboten. Italian jokes verboten. Jewish jokes verboten. Catholic jokes verboten. Mother-in-law jokes verboten. Feminist jokes verboten. Homosexual jokes verboten. (Except when told by, respectively, Poles, blacks, Italians, Jews, Catholics, mothers-in-law, feminists and homosexuals.)

The proscription list hangs on the back wall inside every comedian's skull, and for good reason. Violation can result in indictment for insensitivity, accompanied by public denunciation and disemployment with its terrifying absence of income.

Well, on to Mario Puzo. He has been at it again. Writing stories that suggest persons of Italian heritage are capable of engaging in felonious activity. His latest work in this vein was recently televised to a mass audience.

□

His earlier works concern murderous criminal organizations composed almost entirely of persons with Italian names with a boss everybody calls "the Don." This latest was no different.

His stories violate the sensitivity principle by suggesting that organized crime is an Italian affair. For years people of Italian root have fought this stereotype, urging television to stop giving Italian names to all its gangsters. Who can blame them?

They have enriched American culture with names like Toscanini, Cuomo, Pacino, Marciano, DiMaggio, Fermi, Coppola, Lucci, Pavarotti, Piccolo, Balducci, Torre, De Niro, Valentino; have given the world the poetry of Dante; the art of Michelangelo and Raphael, the music of Verdi and Puccini; the movies of Fellini, De Sica, Rosselini . . .

It does not require demonstrable sensitivity to understand an Italian-American urge to cry, "Enough already with Al Capone, Frank Nitti and all those rotten Corleones!"

□

Puzo escapes an insensitivity indictment under the rule that any member of a group thought to need sensitivity is, nevertheless, permitted to be insensitive, but only to his own group. If a Puzo show referred to a black character as "a spade," as Raymond Chandler, the Anglo master of crime fiction, did in the pre-sensitivity era, well — "The sensitivity boys are going to take you for a little ride, Mario."

In exercising his license to insensitivity, Puzo does spin a good yarn. His earlier Godfather opuses might have made wonderful opera if Verdi had been available. This last one on TV started so tired — "Been here, Godfather, done this" — that I signed off early.

Did people of Italian ancestry grit their teeth and submit to omerta, the Mafia code of silence? Two weeks later no protests are heard. See how a sensitivity failure can rot the character?

Until this latest onset of godfatherism I had quit saying "Mafia" and "omerta." I must try hard not to think such words again. I shall now think, instead, of Gina Lollobrigida, Claudia Cardinale, Sophia Loren and Tuscany's sunny hills. Ah, Isabella! Remember the Chianti we drank that verboten afternoon in sun-dappled Fiesole . . .?

New York Times Service

Mary Coughlan's Long Road Back to Cult Status

By Mike Zwerin
International Herald Tribune

LONDON — The biography accompanying Mary Coughlan's eighth album, "After the Fall" (Big Cat/V2), includes what is possibly the longest list of downers in the history of the human voice.

A suicide attempt followed by a spell in a psychiatric ward, a broken marriage, crooked contracts, calamitous career moves, a repossessed house, an overdose, "a tendency to look at life through the bottom of a bottle," pills, adultery, 10 years of depression, 31 detox programs.

Her struggle with adversity is well represented in the singer's material.

Why go public stressing all of that? There's a difference between learning from mistakes and advertising them as extra added attractions.

"I don't think there's any point in doing it any other way," she explains. Her Irish accent is a flurry that demands frequent calming down. And imagine an expletive deleted from about every other sentence: "I've learned so much; I put it all there so other people might learn too. It's important to say it, otherwise people think they're the only ones with the problems."

Clean for three years now, with a new recording contract, touring with her own band, there is something enlightened if not quite beatific about Coughlan at the age of 39.

Her story goes, as she puts it, "from earth mother number one to the scum of the earth." She omits the implied "and back again." She was a macrobiotic vegetarian, she breast-fed her first three children (there are five), she ran natural childbirth clinics. But "I lost control of my career and then I lost control of myself." Right now, it's one day at a time.

Singing professionally just happened. It was never a conscious decision. A Dutch friend of hers wrote a song on the occasion of the birth of her first daughter 21 years ago; the recording went on the Dutch charts for 20 weeks. She was signed by a multinational record company with an A&R policy that went something like this: "You do this stupid commercial bubble-gum pop song or else you don't get to do the good songs you really want to do." She laughs: "The songs I really wanted to do were like 'The Whiskey Didn't Kill the Pain.'"

There was a generous advance and she purchased a beautiful house on two acres near Dublin. When the multinational's chief Irish operating officer disappeared, he left no sales figures and nobody had been paid. Her manager had mortgaged her house to finance a tour which lost £80,000. She found she was personally liable. The record company dropped her. The bank took back the house, a van backed up and emptied it and the car in front was driven off. She and her husband split up. She "began to drink for oblivion."

Now she's sober, with a new baby. A lot of one-on-one counseling has done a lot of good. She's in AA "of course." She's one of the better talkers at the meetings. After she finished her most recent recovery program three years ago, she told herself, "I'll give singing a try one more time."

She pulled out the boxes with the old itineraries and faxed her contacts and gradually got her old gigs back. The term "cult figure" was heard about her once more. She signed with a small record label that gave her complete artistic control. It has since merged with V2, a multinational launched with £300 million ($490 million) from Richard Branson of Virgin fame.

Most of the songs she is now singing are written by Jimmy McCarthy and Johnny Mulhern, whom she calls "the most intelligent and insightful songwriters in Ireland." The songs are about "heroin addiction, recovery, unemployment and stuff like that. Inner-child stuff. Jungian stuff." Trevor Knight set "Dilemma," a bittersweet poem by Dorothy Parker, to music for her. And there's a version of Henry Purcell's "When I Am Laid in Earth."

Struggle with adversity is foremost in her material, and the texture of her voice and delivery, which can be hypnotic, stress victory over it. She glides around the stage between choruses clapping hands wearing a calming smile. Her band features a tenor saxophone not unlike Teddy Edwards with Tom Waits.

Her children are 21, 19, 16, 5 and four months. Claire, the 19-year-old, travels with her now taking care of the baby. She will go to art college in the fall. Claire learned how to walk in Belgium on one of her mother's tours. The other three children are at home in Dublin with an American man, the father of the two youngest children, with whom Coughlan has been "living in sin for eight years because we don't have divorce in Ireland."

Lhroman Rose

Coughlan has a new album, "After the Fall," and is touring with her own band.

"Sin" is accented with a shrug. A line from Marc Almond's song "Saint Judy" (about Judy Garland) is delivered with similar irony: "And if I die before I wake up / I pray the Lord don't smudge my makeup." Coughlan was brought up a strict Catholic and she says she is recovering as much from that as from drugs and alcohol:

"Given my Catholic background, it wasn't really surprising that I became an alcoholic looking to get out of pain. There was really no other way I could have managed. This is an explanation not an excuse. I've been learning so many things it's unreal. Things about parenting and life skills that I could never have had before because of the way I was brought up.

"I left home at 15, I sent postcards to my parents every so often for years. It's gotten better with them, but there's still a lot we have to talk about." About how all the scandals in the church "just about ruined my grandmother when she found out from the papers. Her faith was all she had to keep her going."

After Coughlan spoke up in favor of birth control on a TV talk show, she received a letter calling her a "southern, Catholic, feminist, lesbian bitch," signed "Ten Men in a Pub."

She can laugh it off now, such is her mental health. She takes a sip of apple juice: "A guy at V2 got Michael Jackson's autograph for my daughter. That was really nice of him. It's a bigger picture now all down the line."

Mary Coughlan on tour: Hamburg, May 28; Berlin, May 29, 30; Cologne, May 31; New York, June 13, 14, 15.

Herwig Vergult/Agence France-Presse

TOQUE OF THE TOWN — The French chef Paul Bocuse, left, and his colleague Marc Meneau with the medals they received on taking the oath as new members of the Belgian Brewers Guild in Brussels.

PEOPLE

RUMORS are flying that **Dimitra Liani**, the 42-year-old widow of the Greek prime minister **Andreas Papandreou**, may wed before her husband has been dead a year. "She can do anything she wants after the mourning period," her mother told the Athens daily Eleftheros Typos on Tuesday. Papandreou died on June 26, 1996, at age 77. But **Polyxeni Liani**, whose daughter is widely known as "Mimi," doesn't think her daughter will take the plunge with the 32-year-old actor **Kostas Spyropoulos**. "I don't think she is that crazy," the mother was quoted as saying. Spyropoulos is being accused of failing to mourn his former companion, **Aliki Vouyouklaki**, one of Greece's most popular actresses, who died last July at the age of 63. Mimi, mired in scandal even before Papandreou's death, has been unable to avoid the limelight in the 11 months since her husband's funeral. She has been embroiled in a legal battle with her stepchildren and has drawn the ire of her late husband's party by threatening to make, or break, political reputations in a tell-all book. The book is expected to be out in October. "She is writing the book of revelations. She sleeps all morning and writes the book all night," her mother was quoted as saying.

□

"The Lost World: Jurassic Park" is breaking box-office records for movie debuts. **Steven Spielberg**'s dinosaur sequel — at more North American theaters than any debut movie in history — took in an estimated $90.1 million over the Memorial Day holiday weekend, shattering the previous four-day record of $56.8 million set last year by "Mission: Impossible." "Lost World" was expected to pass the $100 million mark on Tuesday, which would set another record. It took seven days for "Independence Day" to rake in $100 million last summer.

□

Jodie Foster will have to make space between her Oscars on the mantle for her latest award — an honorary doctorate in fine arts. **Richard Levin**, the president of Yale, honored the actress for breaking new ground for women in film through her choice of roles and her success as a director and producer. It was the second degree from Yale for Foster, 34, who graduated magna cum laude from the university in 1985 with a bachelor's degree in literature.

□

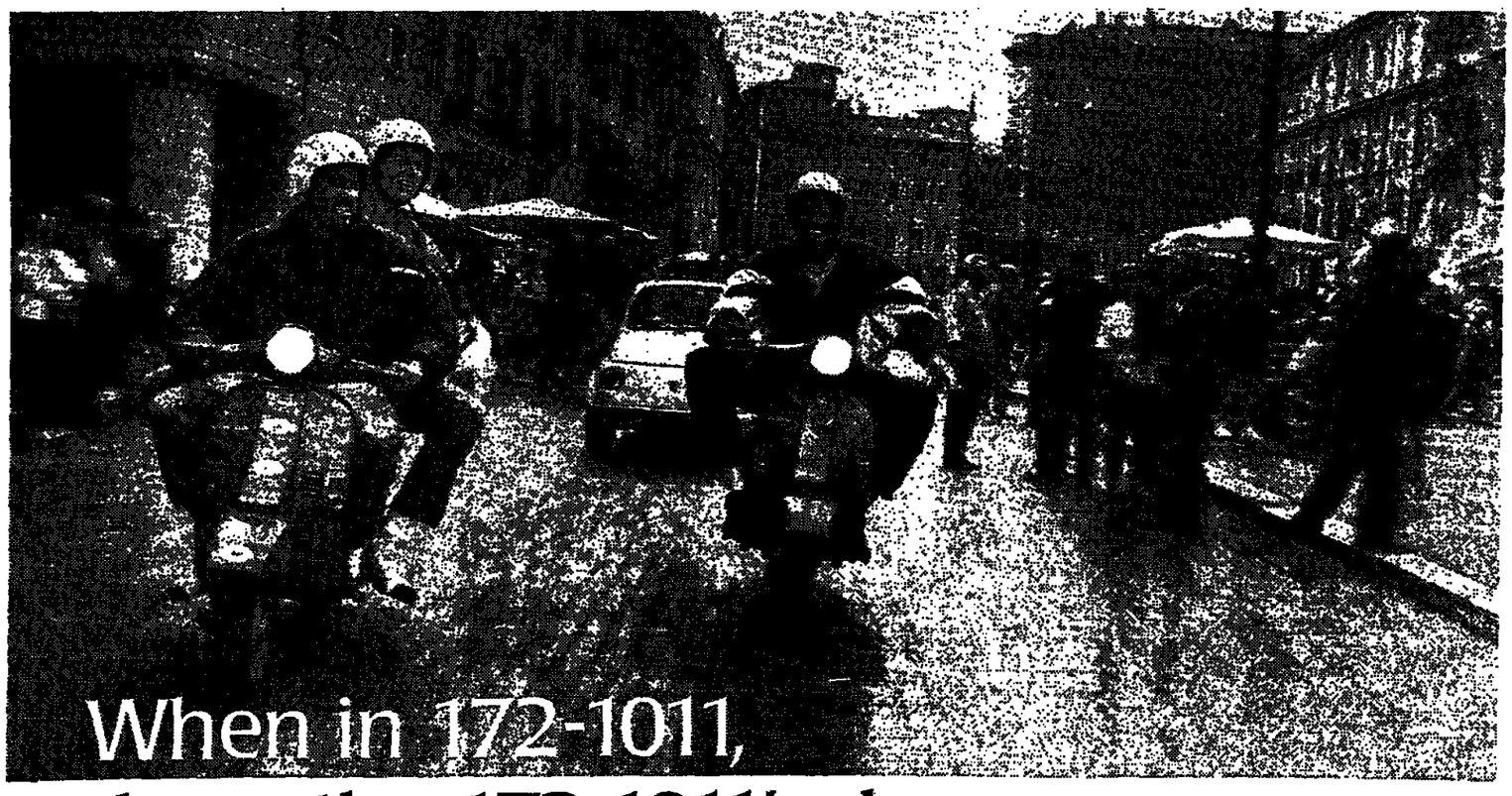
Tony Bennett has recorded a tribute album to the jazz great **Billie Holiday**, one of his early influences. "It's my last of these kind of albums for a while," the 70-year-old crooner told the New York Daily News. "I've done one on Sinatra, another on Astaire — and I have to get on with other things." Recording "Tony Bennett on Holiday" brought back memories for the singer. "I really loved her music and her style," he said. "She encouraged me. And I am forever grateful."

□

Michael Jackson arrived in hail and rain at a military airport in Warsaw on Tuesday as he began a two-day castle-hunting visit. The poor weather did not dampen the enthusiasm of some 200 young fans who waited to greet him, nor did it put him off wearing his sunglasses, although he did forsake his mask. Jackson was greeted by Mayor **Marcin Swiecicki** and, after watching a traditional mazurka performed in his honor, took off by helicopter to fly over the city en route to a visit to Wilanow castle. The pop star is said to be interested in building a theme park near Warsaw.

□

The 4-pound brass lock that burglars picked to break into the Democratic National Committee headquarters at the Watergate complex 25 years ago fetched a high bid of just $13,000 at an auction in Hampton, Virginia, nowhere near a suggested price of $25,000. The break-in started the scandal that forced **Richard Nixon** to resign the presidency two years later. **Jim Herrald**, a retired Watergate superintendent who owns the lock, held off on accepting the bid. He wants to see if higher offers come in.



Every country has its own AT&T Access Number which makes calling home and to other countries really easy. Just dial the AT&T Access Number for the country you're calling from and you'll get the fastest, clearest connections home. And be sure to charge your calls on your AT&T Calling Card. It'll help you avoid outrageous phone charges on your hotel bill and save you up to 60%*. So when in Rome (or anywhere else for that matter), do as many business travelers do. Use AT&T. Please check the list below for AT&T Access Numbers.

Steps to follow for easy calling worldwide:

1. Just dial the AT&T Access Number for the country you are calling from.
2. Dial the phone number you're calling.
3. Dial the calling card number listed above your name

AT&T Access Numbers

EUROPE	
Austria ●○	022-903-011
Belgium●	0-800-100-10
Czech Republic▲	00-42-000-101
France	0-800-99-0011
Germany	0130-0010
Greece●	00-800-1311
Ireland	1-800-550-000
Italy●	172-1011
Netherlands●	0800-022-9111
Russia ●▲(Moscow)▶	755-5042
Spain	900-99-00-11
Sweden	020-795-611
Switzerland●	0800-89-0011
United Kingdom▲	0500-89-0011
	0800-89-9011
MIDDLE EAST	
Egypt●(Cairo)▼	510-0200
Israel	177-100-2727
Saudi Arabia●	1-800-10
AFRICA	
Ghana	0191
Kenya▲	0-800-10
South Africa	0-800-99-0123

Can't find the AT&T Access Number for the country you're calling from? Just ask any operator for AT&T Direct® Service, or visit our Web site at: http://www.att.com/traveler

AT&T